NOL - Good Training Ground

Those who have sailed with NOL and later went ashore with NOL or other companies will agree with me that NOL was a good training ground, technically and commercially.

The en-bloc sale of the 2 sister vessels, Neptune Amethyst and Aquamarine to Cosco in 1975 taught us something with regards to SnP agreements (MOA).Those who are practicing or intending to go into the second hand sale and purchase of ships need to be very careful when drawing up the terms and conditions in the MOAs. One wrong word or clause in the MOA can kill you mentally and physically especially if you are the seller. It's always easier to buy than to sell especially in buyers' market. In drawing up the terms and conditions, the seller must put in the main terms for the sale, like "the vessel will be sold as where is as inspected with everything on board". Do not allow the buyer to put in terms or words like "the vessel to be delivered in running condition". These 3 words 'in running condition' can kill or break the sale.

So when NOL decided to sell the two vessels after owning them for 5 years, the decision was solely based on technical grounds. Both vessels were built in East Germany and the materials used for her machinery and hull were of poor quality. Virtually everything was falling apart. Thus, to avoid big repair bills after her 1st special survey, it was decided to sell both vessels and get better fully cellular container ships. Containerisation was just taking off in 1975 so a lot of operators started to phase out their semi-container ships to full container ships. Selling both vessels was the right decision. Cosco got interested, inspected both vessels and agreed to buy both vessels en-bloc (price not revealed). However someone in NOL agreed to sell both vessels with dry-docking clauses and the vessels to be delivered fully classed, free from any Conditions of Class and subject to an official sea trial to attain a service speed of 18 knots and all her equipments in running condition.

The “dry docking, fully Class and free from any Condition of Class” clauses were easy to comply, but the 18 knots sea trail and the 3 words 'in running condition' were difficult to comply. I felt that the person involved in drawing up and agreeing to such terms was ignorant and unaware of the consequences. But since the MOA was signed, we in the technical department could do nothing but to follow through.

The sub-clause, 'in running condition' applied to all 3 generators which were to be tested to 10% overload for 10 minutes. Whoever in NOL allowed or agreed to this test must be crazy or mad for purely with wear and tear from 5 years of operations the engines would not withstand or hold the load. To make it worse the Chief Engineer reported the generators' fuel pumps and governors were erratic. I instructed all 3 fuel pumps be sent ashore to Watt & Akkermans for overhaul and testing. Once the fuel pumps were refitted we did our own testing and could only attained 90% load. We found the push rod linking the fuel pump/governor had reached its limits. What next? The only way was to manually hold the link to by-pass the limit setting to go above the full and overload (10%). I remembered we got hold of Kee Ah Bah to be our manual operator for the testing. Kee was brought in simply because he was not known to the Chinese superintendents. On the day of the testing we had pre-arranged hand signals with Kee, when to hold and release the link. Only the Chinese engine and electrical superintendents were to witness the testing and I made sure they were in the ER Control Room to watch the Load Meter on the main switchboard. The testing went on as planned and completed with Kee doing the manual manoeuvres. Once completed Kee disappeared from the Engine Room. Even I was not sure if the engines could take the 10% overload, but the Lord was on our side. With these auxiliary engines testing completed we then have to do the final speed trial.

To do the sea trial the main engine units, turbo chargers and air coolers needed to be overhauled and these jobs were given out to the shipyard. When the 2 air coolers were chemical cleaned and pressure tested it was found about 20% of the corrugated tubes were leaking. To make matters worse these coolers were made in East Germany and no suppliers in Singapore stocked such corrugated tubes. To indent from East Germany and airfreight out the tubes would take a week plus another 10 days for re-tubing. We simply did not have the days to meet the delivery dateline. What next? I had to take a gamble. Since the sea trail was only for 2 hours, I told the yard to plug up all leaking tubes (about 30% of the tubes) and box back the 2 air coolers without the Chinese superintendents' knowledge. This was despite the

Chinese Engineer Superintendent's request to view both coolers before boxing up. Everyone started to scratch their heads as to how we could avoid the inspection. The solution I came up with was to get all 4 superintendents away from the vessel while we boxed back the coolers. Everyone looked at me and asked 'how?' I said, "Get Mr Goh to invite all 4 for dinner". I knew that for the Chinese, if the big boss invites you for dinner you cannot refuse. My idea was conveyed to Mr Goh with the plea to prolong the dinner to as late as possible so that none of the 4 superintendents would pop in after dinner. Our idea was accepted and I conveyed the invitation to the head superintendent who accepted without hesitation. I even arranged our office car to pick them for dinner. I also told the driver to send them back direct to their hotel after dinner but at all cost not to bring any of the 4 to the vessel. With all this set our plan went into full swing.

We got both coolers boxed back by the early hours of the next morning. However, when the Cosco Engine Superintendent boarded the vessel and saw both coolers in place he got upset that he did not inspect them before boxing back. I cordially told him the yard had a lot of other jobs to complete so when the coolers were brought back they decided to complete the job by the night shift gang. I added that I had inspected both coolers and even taken photos of the fin condition - very clean and I promised to make a set of the photos for his records. He then accepted my explanation. I even casually asked him about his dinner with Mr Goh. He said the dinner was superb; they had a lot of drinks and only went to bed well after midnight. I was glad that our instructions to Mr Goh were followed.

About 4 days later all repairs were completed and we left the yard for the speed trial off Sentosa. I told the Cosco superintendents that we could only do 4 runs only as per port regulations. Off course this was not true. The Master (can't remember his name) was not confident if we could do 18 knots. I told him keep our fingers crossed and pray. It turned out that the weather was fine, the sea was calm and our prayers were answered. We averaged 17.9 knots at maximum rpm as per the vessel's original sea trial records. The Cosco superintendents compared all the parameters taken with the original sea trail records and accepted the speed trial of 17.9 knots was good enough. Our team took a deep breath and we anchored the vessel at the Eastern Anchorage to prepare for the final delivery the next day. That night I had my best sleep in years.

It was a big burden getting rid of the Amethyst and from my list (Aquamarine was under Toh Ho Tay). After handover, the Chinese took on new stores, provisions and bunkers and departed for Europe.

2 days later we got a message from the Chinese that they had stopped off Penang due to problems with the auxiliary engines and requested for our assistance. They also asked if we have a spare fuel pump. Coincidently the Aquamarine had arrived Singapore, so we took one spare fuel pump and Peter Yam had to hand-carry the fuel pump and flew to Penang. After changing the fuel pump, she continued her voyage.

Another 2 days later Cosco officially tendered notice to decline buying the Aquamarine. No reasons were given. What the Chinese did not know was between the 2 vessels, the Aquamarine was a better vessel in terms of material quality and she had less corrosion problems. We docked the Aquamarine and completed her 1st special survey. Then a Greek buyer came, inspected the vessel in the drydock and purchased the vessel outright at half a million US dollars more. It was a bonus and a blessing for NOL. This time, the MOA had no sea trial or 'in running condition' clauses. NOL had learnt its lesson! The Greeks bought the vessel on 'as is where is as inspected' basis. So selling the Aquamarine was easy and straight forward - no sweat.

A week after the delivery of the Aquamarine and with the extra half million, all staff members involved got a month bonus, approved by the M.D.

What have we learnt from this episode? Did we play out the Chinese? As far as I am concerned, we did not. The MOA clauses were drawn in favour of the buyer and I was given the 'by hook or by crook' way of ensuring that the sale goes through. Secondly the Chinese did not give and take. They went by the book including getting us to replace toilet bowls and wash basins that had hair cracks in them. They just refused to accept our explanations and insisted on the 3 words "in running condition".

What the Chinese did not consider as buyer was the history of the vessel whereas the owner/seller who operated the vessel over the last 5 years knew the good and the bad part of the vessel. If the Chinese were more reasonable and had not thrown the book at us, we might have worked toward a compromise.

It's from this experience that in later years when I took over ships, to always try to be friendly with the seller's crew by not being too insistent. Upset crew can hide a lot from us and unknowns can sometimes be quite costly to correct. That's why I have titled this episode "NOL-good training ground".

A few months later I heard that the Chinese Head Superintendent who came for the Amethyst delivery was taken out and assigned back to sea service by Cosco. Off cause we did not know the reasons behind this move by Cosco.

That's the end of my story so those who may one day involved in en-bloc sale, always try to deliver the lousy ship first and keep the better ship last. And true enough I did it later when I was on my own selling 2 container ships en-bloc to the Greeks. The Greeks are the hardest to deal with be it selling to or buying a ship from them. The Greeks are also the best to follow. If the Greeks start selling, you follow and if the Greeks start buying, you follow. You can't go wrong because the Greeks were and still is the best in reading the shipping market. They always buy low and sell high so if you follow the Greeks you are 90% sure of making your fortune!

Kan Seng Chut
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After completing his apprenticeship in 1967, Seng Chut went to sea. He sailed with several shipping lines as a Junior Engineer before clocking enough sea time for him to qualify for the the Class 2 CoC examination. Unfortunately, he failed twice and decided to join NOL on the "Neptune Garnet" for 10 months as 4th Engineer. His 3rd try at Class 2 CoC in Singapore was a success and with his new qualification, sailed on "Neptune Amber" as 3rd Engineer for just 3 months for he was soon promoted to 2nd Engineer. He sailed as 2nd Engineer for 12 months and then got promoted again to Acting Chief Engineer on "Neptune Agate" and "Neptune Jasper". He got his Class 1 CoC in London in September 1973 on his first try. Seng Chut then left the sea to re-join NOL as a Superintendent in the Technical Department. In 1976, he left NOL to join Singapore Shipping Corporation as to manage several portfolios as Superintendent cum Technical Manager cum Director. In 1992, he ventured out on his own to set up "Odesta Pte Ltd" to do ship management. Seng Chut retired in 1998. He has been busy giving back to society through his charity and continues to share his experience with others in our marine industry.

Seng Chut's article drew this response from several readers.

From Kenneth Kee Ah Bah

As Kan mentioned my name and I was involved in the sale of the two ships, let me share a little of my experience.

It is true that I operated the fuel linkage for the generator engines, but not true that I disappeared after the load trials of the generators. The fact is that R N Saxena was the Chief Engineer of the Neptune Amethyst during the sale and we had such a hard time demonstrating to the buyers' representatives the "good working condition of all the machinery" that for many nights we just fell flat on our backs lying on the floor of the cabins with our boiler suits on at very odd hours of the morning, taking turns to demonstrate the good working condition of each piece of machinery. I agree with Kan that the experience of this sale is something we cannot forget!

Saxena as a young but good Chief Engineer then, got so tired and fed-up that he was prepared to leave the job and requested on a few occasions through me and Kan for the company to send him home. Obviously, we did not tell the boss because we needed his help to go through this very difficult sale.

Saxena subsequently came ashore with NOL and was Manager of the Repairs and Maintenance Department for many years. He left NOL in the 1990s to run East Wind Shipmanagement until a couple of years ago. I think NOL (frequently quoted by the seafarers as the National Organisation for Learning) had also provided him a lot of exposure to take on challenging jobs later in his career.

NOL bought two bottles of whisky to celebrate the delivery of the vessel to the buyers. These were kept with the Master of the vessel. Many of the expatriate Masters in the early years of NOL were heavy drinkers and as the testing of the machinery took many days before the final acceptance, by the time when the company arranged a dinner to celebrate the conclusion of the sale of the vessel and thank the buyers, the Master had drank more than one bottle of the whisky and if I remember correctly, only about half a bottle was left. NOL was so angry and upset with the Master that they took him to court for drinking the whisky!

I was involved in the sale of the Aquamarine as well. However, that sale went through without much fanfare as the terms of the Memorandum of Agreement had been modified with the "unforgettable" experience that we went through.

From Paul Cheng

I was on Neptune Amethyst at the time (from 31st Oct 1973 to 22nd February 1974) and I like to make this contribution.

The Captain was a Jamaican and the same person who sold all our meat provision in Europe. He was arrested at PSA when we arrived at Singapore. He was drunk and while coming down gangway curse and swore at NOL and Singapore. By the way, none of us on board the Amethyst got anything from the sales! Nevertheless, I got the S$400, with a thank you note signed by Goh Chok Tong, same amount as the crew on board Neptune Aquamarine.

For Neptune Amethyst, I wonder if Mr R.N.Saxena remember or anybody at the office knew how I extracted the inner race of the alternator shaft's seized ball bearing? I can relate the details if anybody is interested (un-conventional method), of course the outer race was removed by three prong extractor.

As for sales of Aquamarine, Lee Teck Wee was requested to sign on as Chief Engineer for the delivery. I guess he had to oblige as most of his business came from NOL at that time.

When I left the sea, Lee Teck Wee asked me to join him to work as foreman Engineer at Green Engineering. Soon after I joined I was involved in the conversion of Neptune Topaz into a semi-container ship. I was supervising 40 workers who were all richer than me, because they were hourly rated and getting 6 to 7 times their normal rate on overtime, whereas I was fixed on a monthly basis even when I worked 24 hours like them.

If anybody know where is Lee Teck Wee now, do let me know for it would be interesting to catch up with him!

Seng Chut, looking back it is nice to think of it as training ground, but at that moment in time and on many occasions it was like hell. One HK Chinese even gleefully told me that on British ships, “Watch keepers only watch, not suppose to work. Work is only for day workers". Thus it was maddening having to work 16 hours each day for months on a single ship. I wonder if Kee Ah Bah remembers (or realized) that on one occasion, I had to act crazy in my desperation to sign off the ship!