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Discussion paper

A Crisis that Never Came. The Decline of the European Antarctic Whaling Industry in the 1950s and -60s

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A Crisis that Never Came.

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Abstract

The paper analyses the decline and final close down of the European Antarctic whaling industry in the 1950s and -60s. This industry had been led by British and Norwegian companies, which were now challenged by Japan and Soviet Union that completely took over Antarctic whaling for the next decades. The decline most severely affected Norway where the whaling industry was relatively more important than in any other country. The decline was also disproportionally felt in Norway because the country provided crew and equipment to many foreign whaling companies. The paper will therefore have a special focus on the Norwegian industry and how the challenges were faced there. The analysis reveals that the decline did not develop into a crisis for the companies involved or in the wider economy. One main explanation was that business cycles in shipping and in the general economy were very favourable during the years when the whaling industry was wound up.

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*Introduction*¹

By the late 1950s it was obvious that the whaling era of Western European nations in the Antarctic was about to come to an end. What had developed throughout the century into a significant industry, had experienced a remarkable growth in a decade after World War II. But now it seemed to be over. New nations had entered the competition for a declining stock of whales in the Antarctic and the Southern Ocean. The first British and Norwegian whaling companies that had dominated the industry for years, had already wound up. The closing down did not, however, happen overnight, but took place within about a ten year period. The main questions in this paper are; How did this process develop? What were the challenges – and how were they met? Which consequences did the closing down have – for the economies, societies and businesses in the nations involved in this industry?

This paper will have a clear focus on the Norwegian industry, but it will deal with the other Antarctic whaling nations and their companies that also faced a decline and winding up of their businesses at about the same time; mainly Britain, South Africa and the Netherlands. They were in many ways closely interlinked with the Norwegian industry as both crew and equipment often originated or had their basis there. This was even the case with the only South African company that was active on the Antarctic whaling grounds in these years, thus it will also be treated here as part of the ‘European’ industry. Because of such linkages the consequences of the decline were mostly felt in the Norwegian economy. The two nations that continued large scale whaling in the Southern Oceans for several years, Japan and the Soviet Union, will not be dealt with in this analysis.

The extensive history of the so-called modern whaling industry was published in four volumes by Tønnessen and Johnsen between 1959 and 1970.² Thus, the authors had a chance to observe and analyze the final years of the industry. The following analysis will obviously relate to this pioneer study, but it has the advantage of a longer distance to the events. Tønnessen concluded his last

¹ Paper prepared for the 15th European Business History Association Conference, Athens, August 2011. A first version of the paper was written in Norwegian as a chapter in a book on the history of the Shipowners’ Association of the counties of Vestfold and Telemark; D. Bakka jr., B.L. Basberg and S. Tenold, *I bølger. Vestfold og Telemark Rederiforening 1909-2009*, Sandefjord 2009. The following version is expanded in several directions and has a broader scope.

² J.N. Tønnessen and A.O. Johnsen, *Den moderne hvalfangsts historie*, Sandefjord / Oslo, vols. 1-4, 1959-1970.

volume with the following sentence: ‘Perhaps the enterprise may one day become a reality again’.³ We know that this prediction or hope so far has not materialized.

Some of the historical research and literature on the whaling industry that followed in the wake of Tønnessen and Johnsen, and thus also could observe the decline at a longer distance, deals explicitly with the transition both of the industry and the local economy.⁴ In particular, the Norwegian historian K. Vik has studied the decline of the Norwegian whaling industry systematically. He observed that the transition was successful and asked the following question in the title of his thesis; ‘*Why did it go so well?*’⁵ He distinguished between three main reasons: First, the process of the closing down was slow and gradual. It occurred throughout a period of more than ten years. The number of whalers that annually had to look for new employment was limited and the effects on the labour market were spread out. The companies could make the transition to other businesses gradually. Second, the business cycles in the period of closing down were mostly favourable, in shipping and in most industries. The whaling companies could, without big problems, shift their focus to general shipping. The crew found alternative employment – at sea or ashore. A third explanation had to do with certain characteristics of the former whalers. The distribution between different categories of skills (sailors, specialized workers, un-skilled workers) facilitated their assimilation in several businesses and jobs. Furthermore, the age distribution indicated that many whalers could retire. Vik’s and others’ research will be a basis and point of departure in the following.

The structure of the whaling industry at the end of the 1950s

The whaling industry was in the context of the various national economies not a large industry. That was even the case with the Norwegian industry. It consisted of a handful companies of different sizes. Into the 1950s the structure of the industry had not changed much. In Sandefjord – ‘The

³ Quote from the English one volume edition that, although published more than a decade later, did not conclude more definite than in the earlier Norwegian edition; J.N. Tønnessen and A.O. Johnsen, *The History of Modern Whaling*, London (C. Hurst & Co.), 1982, p. 729.

⁴ D. Bakka jr., *Hvalfangsten. Eventyret tar slutt*, Larvik (Krohn Johansen Forlag), 1992 and F. Olstad, *Sandefjords historie*, vol. 2, Sandefjord 1997. The decline of the British industry – and the major company, see G. Jackson, *The British Whaling Trade*, London (Adam & Charles Black), 1978 and W. Vamplew, *Salvesen of Leith*, Edinburgh (Scottish Academic Press), 1975. For a more comprehensive review of the literature published *after* the industry had closed down, see B.L. Basberg, “In the wake of Tønnessen and Johnsen: Trends in whaling history research after 1970”, in J.E. Ringstad (ed.), *Whaling and History II. New Perspectives*, Sandefjord (Publ. No. 31, Com. Chr. Christensen’s Whaling Museum), 2006, pp. 11-20.

⁵ K. Vik, “Hvorfor gikk det så greit? Om nedleggelsen av hvalfangstnæringen i Vestfold”, *Vestfoldminne*, 1984.

Whaling Capital' – three companies had their headquarters; A/S Thor Dahl, Anders Jahre & Co A/S and Johan Rasmussen & Co. They were all managing companies for several stockholding companies that were the formal owners of the vessels. Thor Dahl managed three so called whaling expeditions (a whaling factory ship (fl.f.) and a number of whale catchers); fl.f. *Thorshammer* (owned by Bryde & Dahl), fl.f. *Thorshøvdi* (owned by A/S Odd) and fl.f. *Thorshavet* (owned by A/S Ørnen). Anders Jahre managed *Kosmos III*, *Kosmos IV* and *Kosmos V* (A/S Kosmos). The latter was, however, only used as a tanker and transport vessel. Rasmussen had *Sir James Clark Ross* (A/S Rosshavet). In Larvik the company Melsom & Melsom managed fl.f. *Norhval* (A/S Globus and Polaris). In Tønsberg Svend Foyen Bruun operated fl.f. *Pelagos* (A/S Pelagos). In this town the company A/S Tønsberg Hvalfangeri also had its offices. It operated the whaling shore station Husvik Harbour at South Georgia – the only Norwegian station that still was in operation there. A Norwegian company from outside Vestfold that was still in business in the Antarctic was Knut Knutsen O.A.S. in Haugesund with fl.f. *Suderøy*. In the southern whaling season 1958/59 all these nine pelagic expeditions and one shore station were operating.

Many non-Norwegian whaling companies were also in a way part of the Norwegian whaling industry. Several foreign companies had a close relationship to Norway and Vestfold, in particular when it came to hiring crew. In the 1950s the British (Scottish) Chr. Salvesen was of special importance. Its head office was in Leith (Edinburgh), but it also had an office in Tønsberg that hired crew for its two pelagic expeditions (*Southern Venturer* and *Southern Harvester*) and its shore station Leith Harbour at South Georgia. The British Hector Whaling Ltd. (London) had a similar arrangement for its factory ship *Balaena*. A third shore station still in operation at South Georgia – Grytviken – was owned by an Argentine (later British) company, but hired a majority of the crew in the Sandefjord area. The same was the case with the factory ship *Abraham Larsen* owned by Union Whaling Co. in Durban, South Africa. The only other non-Japanese or non-Soviet pelagic expeditions in business by the mid 1950s were the Dutch *Willem Barendsz* (I and II) of the Nederlandsche Maatschappij voor de Walvischvaart (Amsterdam) and the *Olympic Challenger*, Aristotle Onassis' Panama-registered very controversial whaling adventure. The Norwegian share of the crew on these expeditions was quite small due to a law that prohibited Norwegian whalers to take employment with foreign 'newcomers' in the business.⁶ More than 90% of the crew onboard *Olympic Challenger* were from the Federal Republic

⁶ J.R. Bruijn, "Dutch whaling after the Second World War: Private initiative and state involvement", *The Mariner's Mirror*, Vol. 88., No. 3, 2002, p. 321. The crew laws (*mannskapslovene*) were very much debated; see Tønnessen and Johnsen, *op.cit.* (1982), p. 521ff.

of Germany and much of the equipment originated there – making also this expedition in a wider sense part of the European industry.⁷

In the whaling season 1958/59 about 6.800 Norwegians worked for various whaling expeditions. This was at about the same level as most post World War II seasons, but far below the peak years around 1930 when more than 10.000 participated.⁸ The rural communities in Vestfold still represented the major source of labour. The single most important area was Sandar – the community that surrounded the town of Sandefjord – with about 1.200 whalers. The Norwegian owned whaling companies employed 4.700, while the foreign owned companies employed about 2.100 Norwegian whalers.

The whaling industry in a broader sense also consisted of firms that provided equipment, machinery and provisions, as well as the processing industry. Both were, to a large extent, based in Vestfold, and were of strong importance to the local economy. Several manufacturers made highly specialized equipment both for the Norwegian and foreign whaling companies. For several shipyards the work for the whaling companies was still of major importance. That was the case for the large ones (Kaldnes in Tønsberg, Framnæs in Sandefjord), but also for many smaller yards that took part in the annual between-season maintenance of the large fleet of whale catchers. The processing industry in Norway was more limited. About 2/3 of the whale oil – the main output of the Norwegian Antarctic whaling – was exported. The remaining oil was sold mainly to De Nordiske Fabrikker (De-No-Fa) in Fredrikstad and Sandar Fabrikker that refined the oil by way of fat hardening / hydrogenation so it could be further utilized in the production of margarine. In addition, Jahres Kjemiske Fabrikk (Sandefjord) processed sperm-oil.⁹ The predominant buyer of whale oil in the international market was Unilever – using the oil as input in a variety of products, mainly margarine.

The challenges

⁷ K. Barthelmess, "Olympic Challengers' Verstösse gegen Walfangbestimmungen, 1950-1956", *Deutsches Schiffsarchiv*, 19-1996, p. 67ff.

⁸ *Norsk Hvalfangst-Tidende (The Norwegian Whaling Gazette)*, No. 2, 1960. Table: "Whaling fleet crews 1930/31 – 1959/60".

⁹ The fat hardening / hydrogenation industry in Norway at the time also included Johan C. Martens in Bergen, which only utilized fish-oil. Altogether about 1/3 of the input to the Norwegian fat hardening industry came from whale-oil: "Hvalfangstens betydning for vår nasjonale økonomi", Industridepartementet (The Ministry of Industry), Kontoret for generelle økonomiske og industrielle saker, Note, 21. January 1957.

Whether the whaling industry had a future or not, was a question that had been discussed for a long time. It was already an issue during and immediately after World War II, when the industry in many ways had to be rebuilt from scratch. The investments of the 1940s and -50s proved to be successful, and by the end of the 1950s the industry was obviously still alive. However, problems and challenges were plentiful, and a certain pessimism had affected the industry for years. The problems were related to several factors; a declining stock of whales, increased competition from new whaling nations, declining demand and insufficient control regimes.

Discussions on the state of the whale stock were as old as the industry itself. The disagreements were typically between people associated with the business itself who usually had an optimistic outlook, and on the other hand the scientists and the politicians who interpreted the situation differently and wanted reductions in catches. The fact that it always was a degree of uncertainty in the catches – and that the industry even in its later years could experience so called good seasons, increased the difficulties in reaching a consensus.

The International Whaling Commission (IWC) was founded in 1949. It introduced an international management regime where all whaling nations could compete freely for a total quota every year. The prevailing view among Norwegian whalers was that this system did not serve the Norwegian industry well. Consequently, the Association of Norwegian Whaling Companies (Norges Hvalfangstforbund) in the mid 1950s wanted to withdraw Norway from the international co-operation. It was an issue that gradually received substantial political attention.

A major problem, seen from the perspective of the Norwegian whaling industry, was the dramatic structural change that had occurred in international whaling in the post-war years. From a Norwegian-British hegemony into the 1930s, Japan and then Germany had arrived at the Antarctic whaling grounds. After the war, Japan resumed whaling, and was this time followed by the Soviet Union. In addition, as we have seen, both the Netherlands and the Greek shipowner Aristotle Onassis entered the trade with two floating factories. While Norway's industry remained at a steady state during these years, especially the Japanese and Soviet fleets expanded. Both the Norwegian and the British relative shares of the industry declined significantly. While Norway's share of oil production just after the war was close to 50 %, it was down to about 20 % in the early 1960s (see Table 1).

Table 1: The development of Antarctic whaling, 1948-1969: Relative shares of total oil production for various countries (%).

	<i>Norway</i>	<i>United Kingdom</i>	<i>South Africa</i>	<i>Japan</i>	<i>Argentina</i>	<i>Panama</i>	<i>Netherlands</i>	<i>Soviet Union</i>
1948-49	49.9	26.9	7.2	5.5	2.4	-	4.9	3.3
1949-50	51.1	23.9	6.7	7.8	1.9	-	3.8	4.8
1950-51	48.5	20.6	7.0	7.4	1.7	-	4.5	4.8
1951-52	45.8	20.2	7.5	10.5	1.7	5.5	4.4	6.0
1952-53	38.4	23.2	7.1	9.8	1.5	3.9	4.9	7.3
1953-54	45.0	23.5	6.5	11.0	2.3	7.8	4.3	7.4
1954-55	38.8	21.1	4.5	16.3	2.2	-	2.9	7.7
1955-56	36.9	20.6	4.7	17.7	1.9	6.6	4.5	6.7
1956-57	44.7	17.0	3.9	21.9	2.3	7.0	4.1	6.1
1957-58	36.8	17.3	-	27.1	4.1	-	5.0	9.7
1958-59	38.4	13.6	-	30.0	1.8	-	5.9	10.3
1959-60	31.7	13.4	-	28.7	1.9	-	6.7	17.6
1960-61	33.3	13.7	-	29.9	-	-	6.3	16.8
1961-62	27.7	10.4	-	35.9	-	-	4.4	21.6
1962-63	15.0	5.3	-	47.9	-	-	5.3	26.5
1963-64	18.5	-	-	49.7	-	-	4.7	27.1
1964-65	21.3	-	-	51.7	-	-	-	27.0
1965-66	19.7	-	-	39.8	-	-	-	40.5
1966-67	17.4	-	-	32.1	-	-	-	50.5
1967-68	8.0	-	-	40.7	-	-	-	51.3
1968-69	-	-	-	42.0	-	-	-	58.0

Sources: International Whaling Statistics, 1964 (Table s) and 1970 (Table m).

Japan surpassed both Norway and Britain by about 1960.¹⁰ When an increasing number of floating factories and catchers competed for a limited (and reduced) total quota, it unavoidably led to a pressure on the profits of the companies. Especially the Norwegian industry was critical to the international development and how the control system was managed by IWC. Instead, the Norwegians wanted so called national quotas *within* the total quota. That would, according to the Norwegians, give a more predictable framework and less ruthless international competition. In this game, the Norwegians at this stage in the development of the industry, had a less than favourable position because most foreign expeditions (except the British ones), were newer and more efficient.

So, the whaling company owners did not passively observe that the industry was eroding, but tried actively to influence the conditions. But the industry itself was not alone in these endeavours. The governments also had their say. As a matter of fact, the governments' influence on the whaling industry had been increased in the post-war period. In the Norwegian context; both company quotas and the number of concessions were decided by the Ministry of Trade (Handelsdepartementet). Another important institution was the Whaling Council (Hvalrådet) where both the industry, the scientists and the government met. It was more typical than not that the whalers and the government disagreed on the ways ahead. When Frithjof Bettum, chairman of the Association of Norwegian Whaling Companies and managing director with Anders Jahre, in 1960 gave a talk on the state and future of the industry, it is worth noting that he focused on the government policy rather than the declining whale stocks when explaining the problems faced by the industry.¹¹

Already in 1956 the Association of Norwegian Whaling Companies demanded that Norway withdrew from IWC if there was no consensus on the issue of national quotas. Several years passed with high tempered debate between owners and government, on the national as well as the international stage.¹² The Norwegian Government stood behind the Norwegian industry on this matter, and in

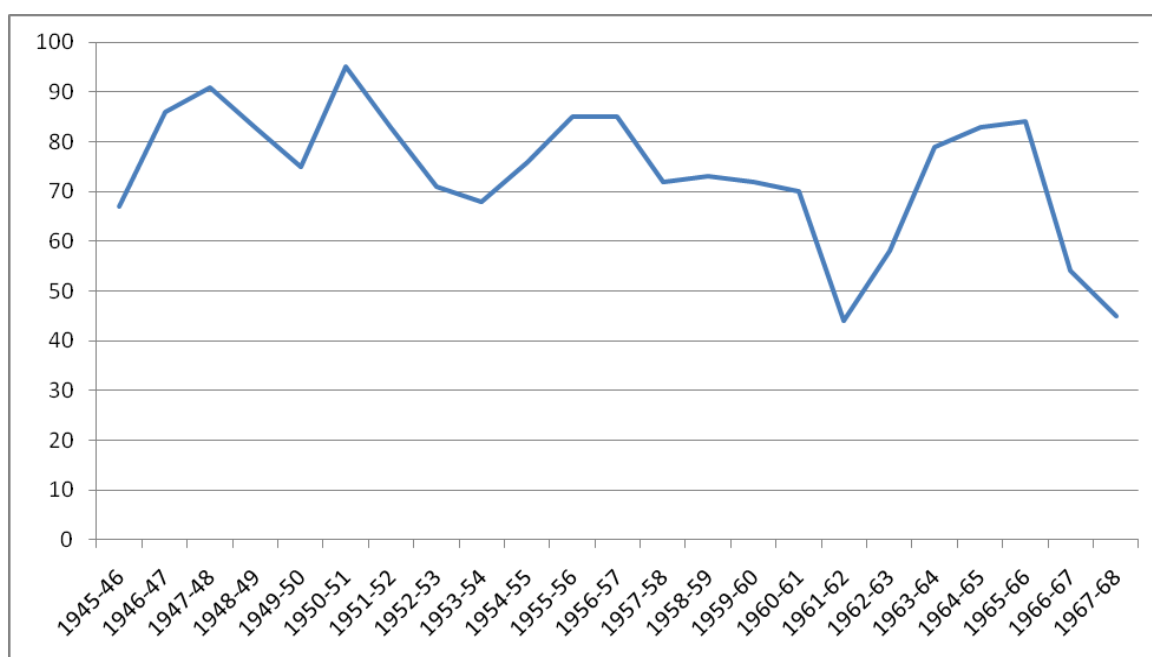
¹⁰ The oil production is only a partial indicator of the size of the Japanese whaling industry since it specialized on the production of whale meat. This reduced the oil-output. Comparing the sizes of the fleets (number of floating factories), Japan surpassed Norway and Britain in the mid 1950s. See B.L. Basberg, "Convergence or National Styles? The British-Norwegian Hegemony and the Japanese Challenge in the Twentieth Century Whaling Industry", *Research in Maritime History*, No. 14, St. John's 1998.

¹¹ Bettum, Frithjof, "Litt om hvalfangstens utvikling og om dens hovedproblem i dag", Lehmkuhl-forelesning, Norges Handelshøyskole, *Norsk Hvalfangst-Tidende*, No. 6, June 1960.

¹² Tønnessen and Johnsen, *op.cit*, Volume IV (1970), Chapter XV, "Striden om de nasjonale kvoter 1958-62".

1959 it was decided to withdraw from IWC. Despite this withdrawal, Norway participated in the discussions in the commission that went on until 1962. It was then agreed on a quota system that satisfied the Norwegians, and Norway again became a member. However, the new management regime evidently came too late to rescue the Norwegian – say most other nations’ -whaling industry.

Figure 1: Whale oil prices (£ per ton), 1945-1970



Note: Calculated average prices of whale oil produced by Norwegian companies.

Source: Tønnessen and Johnsen, vol. IV, p. 636.

The price of whale oil reflected the problems. During the first post-war years they increased rapidly. However, the annual fluctuations were substantial, and the trend was soon a declining one (see Figure 1). Increased supply was not matched by the demand. The fact that the international market for whale oil was dominated by one large buyer, Unilever, did not make it easier – although the price of whale oil to a large extent was determined by the international prices of other vegetable and animal fats and oils. The margins of the whaling companies were squeezed, and this was obviously a main concern for the owners. Anders Jahre phrased it this way already in 1956: ‘... as much as I am optimistic when it comes to the size of the whale stock, I am pessimistic when it comes to the future

of Southern Ocean whaling. It is then the economic aspects that I am concerned about, in other words the future profitability of whaling'.¹³

How did the whaling companies meet the challenges?

In 1957 the Norwegian Ministry of Industry presented a paper on the importance of the whaling industry for the national economy.¹⁴ The background was a need to analyze what would happen if the Norwegian whaling in the Antarctic was to disappear in a matter of short time. The following consequences were anticipated: The loss of income in foreign currency (whale oil sold abroad) was believed to be moderate because the factory ships instead could be used in the international oil-tanker trade and thus still generate income in foreign currency. The largest loss for the companies would probably come from the sale of whale catchers that would have moderate alternative value. When it came to employment, the former whalers should expect lower incomes, but the disappearance of the industry 'would probably not lead to a direct catastrophe'. The ministry argued that there was a general shortage of labor. In addition, many whalers were sailors that easily could find new employment in the merchant navy that, at the time, experienced growth. The specialized supply industry would obviously experience problems, but that did not seem to worry the government. The way the ministry viewed the situation, this industry was of minor importance to the national economy. A final consideration was about the whale oil as an input to the Norwegian fat hardening industry – an industry that provided the margarine industry with its raw material. Again, the ministry saw few problems. The companies in questions were really not more than two – and both seemed to rely to an increasing degree on herring-oil as their main input.

The Ministry of Industry was wrong in its optimistic view for the future employment of the factory ships in the tanker trade. Other than that, its predictions proved more or less correct. The whaling industry experienced no 'catastrophe' relating the labour market or otherwise. But it should take several years before anyone had the answer, and there were no lack of pessimistic predictions on the way. It became a difficult transition period that lasted for more than ten years.

¹³ *Aftenposten*, 23. October 1956. Translated from Norwegian.

¹⁴ "Hvalfangstens betydning for vår nasjonale økonomi", *op.cit.*

The whaling companies met the problems and the challenges in several ways. The actual hunting and catching was made more efficient with the aim of improving the economic margins in a difficult market. But despite such efforts, a gradual winding down of the business was the only realistic alternative. In parallel with this process, the companies increased the activities in other businesses.

The measures that were taken to make the whaling more efficient were really not very different from those being employed throughout the entire history of whaling. The catching was done as productive as possible. That meant among other things to employ larger and more power-full whale catchers. As late as 1964 the company Kosmos bought its last new catcher, *Kos 55*. It was built in Japan, and one of the largest ever used in whaling. Another way of making the industry more profitable was to focus more on products with more favourable prices than oil. This meant primarily different kinds of whale meal and so called by-products such as meat extract and frozen whale meat. The latter was a main final output in Japanese whaling and decisive in explaining its profitability.

Independent of how powerful the catchers became and how much by-products that were produced; it was impossible to keep the industry profitable. It had to be scaled down. Consequently, in the latter half of the 1950s plans were made to sell or lay up several of the British and Norwegian factory ships. Negotiations were initiated that often took several years because the factory ships were also crucial elements in the international negotiations. The number of factories was, as a matter of fact, a decisive factor in the struggle for national quotas.

In 1957 the South African factory ship *Abraham Larsen* was sold to Japan. A majority of the crew of about 350 had been hired in Norway, and the sale became a first signal of what was to follow. The 1958/59 season was the last one for *Suderøy*. From then on expeditions were annually withdrawn from the business. After the next season the British *Balaena* was pulled out. After 1960/61 it was the end for the South Georgia shore station Husvik Harbour and *Kosmos III* was sold. Then, after the 1961/62 season, a major reduction took place. As many as four expeditions were pulled out; *Pelagos*, *Thorshammer*, *Norhval* and the British *Southern Venturer*. The remaining whaling companies in Tønsberg and Larvik were then out of the business. Salvesen of Leith withdrew their last factory, *Southern Harvester*, after the next season. It was then three companies from Norway (Sandefjord) that performed the final swan song. After 1964/64 *Sir James Clark Ross* and *Thorshøvdi* pulled out. *Thorshavet* was taken out after 1966/67 and *Kosmos IV* was alone as the last Norwegian pelagic expedition in the Antarctic in the season of 1967/68. The shore station whaling was then also finished. The operations both in Leith Harbour and Grytviken had ended in the first part of the

decade. Both stations were sub-leased to Japanese companies between 1963 and 1965. South Georgia whaling was definitely over.¹⁵

Whaling based in the Netherlands came to an end in 1964. The large factory ship *Willem Barendsz II* had been launched as late as 1955 and was in business for ten years. When Norway and Britain wound up, only Japan and the Soviet Union were left on the Antarctic whaling grounds. During the last whaling seasons of the 1960s, these two nations operated altogether 7-8 pelagic expeditions in the Antarctic. They were also whaling extensively in the north Pacific, and in 1963 - for the first time in the era of modern whaling - more whales were killed on other grounds than in the Antarctic. Whaling had definitely entered a new phase.¹⁶

What happened to the factory ships and catcher boats that gradually were withdrawn from business? They were mainly disposed of in three different ways; scrapping, conversion to other uses or they were sold to Japan for further whaling. Some factories were old vessels that had been operating since the 1920s and 30s. They were for long depreciated and had earned fortunes for their owners. Scrapping was the only alternative. That was also the case for some of the post-war built vessels. But some of these found other uses. A couple were converted to fish-factory/processing ships – something that was obviously related to the original use (*Astra* ex. *Thorshavet*, *Suiderkruis* ex. *Kosmos V*).¹⁷ One was converted to an oil-drilling vessel (*Drillship* ex. *Thorshøvdi*). Out of nine vessels that were operating for Norwegian companies in 1959, five were scrapped, two were rebuilt and two

¹⁵ Shore station whaling had struggled for a very long time, and had been challenged by the pelagic whaling already in the 1920s and 30s. Several shore stations went out of business. A short revival after World War II coincided with the general increase of the industry at that time; see B.L. Basberg, "Survival against all Odds? Shore Station Whaling at South Georgia in the Pelagic Era, 1925-1960", in B.L. Basberg, J.E. Ringstad and E. Wexelsen, *Whaling and History. Perspectives on the Evolution of the Industry*, Sandefjord (Publ. No. 29, Com. Chr. Christensen's Whaling Museum), 1993.

¹⁶ *Norsk Hvalfangst-Tidende*, Nos. 2 and 3, 1968.

¹⁷ *Astra* (ex. *Thorshavet*) continued to have its base in Sandefjord. In 1969 the former owner of *Thorshavet* founded *Astra Overseas Fishing Ltd.* together with the Swedish conglomerate *Astra*, and converted the whaling factory ship to a factory ship for production of fishmeal and fish oil. A fleet of 11 ring net fishing vessels were chartered and the expedition with 200 men left for the west coast of Africa in March 1970. The following summers the entire expedition returned to Sandefjord for maintenance – just as in the whaling days. However, the adventure was short lived: In the night of 14. April 1974 *Astra* was hit by a cargo ship outside Guinea and sank three days later. See *Thor-Glimt*, several issues 1970-74, and Bakka jr., *op.cit.*

were sold to Japan.¹⁸ The shore stations at South Georgia were left to decline. They had no other use that made sense in a business context.

Independently of the international agreements, the Norwegian whaling companies and the government had agreed on company quotas. These were tied up to the expeditions; the floating factories and their catchers. If the equipment was sold to Japan, the quota disappeared. This was the reason why the old *Suderøy*, which anyway did not have a high sales price, was sold jointly to the Norwegian whaling companies. It was later taken over by Jahre who could use the quota and scrap the vessel. The same happened with pre-war built *Thorshammer* and *Pelagos*. Even international buying and selling of factory ships eventually happened in this way. The two British *Southern Venturer* and *Southern Harvester* were sold to Japan, but none of them were sent to the whaling grounds. Two of them were even sold back to their original owners and used as oil tankers and then scrapped.¹⁹ Japan got the quotas – which was most important. Both South African *Abraham Larsen* and Dutch *Willem Barendsz II* ended up as fish-factories, the former after many years in Japanese whaling service.

Such arrangements between the European and the Japanese whaling companies also reflect one way of meeting the challenges. What had earlier been an industry characterized by fierce competition between the whaling nations, this last stage of the Antarctic whaling era was characterized by more co-operation. This was also the case when it came to the annual sales of the production of whale oil. It was now a buyer's market, as we have seen dominated by one company, and the whaling companies preferred a co-ordinated effort. The agreement between Japanese, British and Norwegian whaling companies regarding sales from the 1961/62 season exemplifies the new attitudes: 'The parties agree that it is desirable to reduce competition to a minimum without restricting the eventual freedom of action of individual Producers and Sellers'.²⁰

The whale catcher boats were also important assets to the whaling companies. Before the final and major winding up around 1960 the Norwegian companies owned about 100 catchers. Most of them

¹⁸ The following Norwegian factory ships were scrapped: *Thorshammer*, *Sir James Clark Ross*, *Pelagos*, *Norhval* and *Suderøy*. The following were sold to Japan and continued whaling: *Kosmos III* and *Kosmos IV*. The following were converted: *Thorshøvdi* and *Thorshavet*. *Kosmos V*, which never had been whaling, was also converted.

¹⁹ Vamplew, *op.cit.* See also G. Elliot, *A Whaling Enterprise. Salvesen in the Antarctic*, Wilby (Michael Russel), 1998.

²⁰ 'Negotiations on sales co-operation between Norwegian and foreign whaling companies 1956-63', the archive of the Association of Norwegian Whaling Companies (Box 27), Com. Chr. Christensen's Whaling Museum.

were built after the war. After an expedition had withdrawn, the vessels were typically laid up for some time before any decision was taken about the further disposal. Companies like Thor Dahl and Kosmos that still operated several expeditions, kept their newest catchers for their remaining expeditions. The oldest (and usually smallest) ones were scrapped. Some followed the factory ships to Japan, and many were sold and converted, especially for fishing. When *Kosmos IV* was back in Sandefjord on 6. May 1968, only the very last phase of the closing down remained. The factory ship was laid up and then sold to Japan in 1971. At that point in time the last whale catchers had disappeared from the buoys in Vestfold.

Even before the extensive closing down started towards the end of the 1950s, the whaling companies were involved in other lines of business. A main strategy was to protect the company against the uncertain future of whaling by not putting all the eggs in one basket. The most obvious strategy for the companies, which almost without exception had been ship owners for years and generations, was to specialize further in shipping. The prosperous years in whaling immediately after the war had also created a financial basis that could be used for contracting more merchant vessels. Already in 1956 *Aftenposten*, the main Oslo newspaper, reported that whaling had become a side-activity for the whaling companies: The tanker trade provided most of their income and determined how their shares performed in the stock market. At that time the Norwegian whaling companies already owned 24 tankers and contracts had been signed for nine more.²¹ In the forefront of this new trend was Kosmos, which in the late 1950s was among the largest tanker companies in Norway.

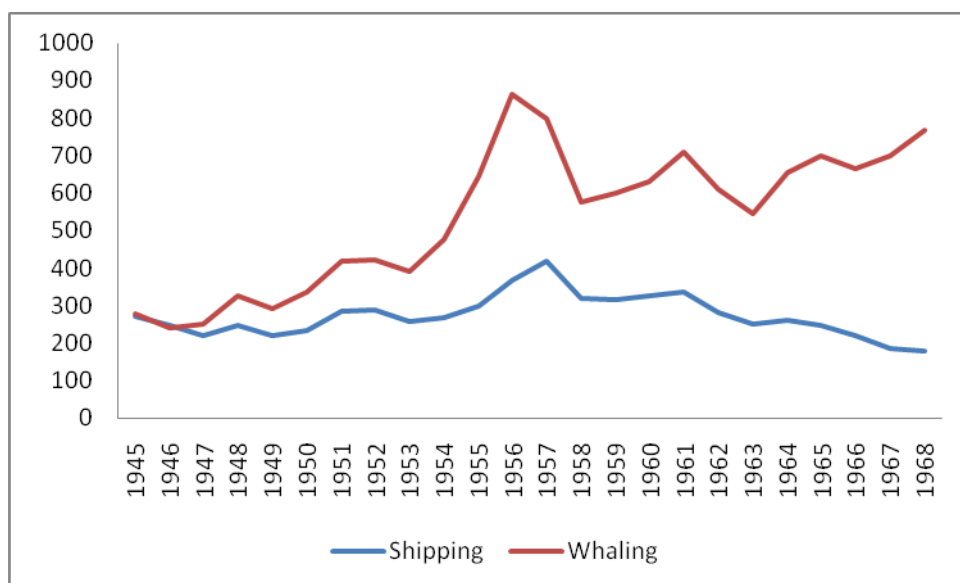
A review of the accounts of the Norwegian whaling companies showed that at this time several had higher incomes from the tanker trade than from whaling. This explains the apparent paradox that the prices of whaling stocks rose while the industry was about to disappear. The price of whaling stocks was also on average much higher, with a stronger growth, than shipping and industry stocks in this period (See Figure 2).²² Starting out at about the same level in 1945 they basically followed the same fluctuations with the major peak during the Suez crises of 1956 and 1957, but the whaling stocks outperformed the shipping stocks in every year. From the late 1950s the trends were not that favorable and *Aftenposten* wrote in July 1962 that 'The whaling stocks have lost the oil-brilliance'.²³ However, they still had at least for some time, more brilliance than the shipping stocks.

²¹ *Aftenposten*, 24. and 30. November 1956.

²² The shipping companies in this comparison include companies in all segments. Companies owning oil-tankers only would have stock-prices above the average in this period – following closer the whale stocks.

²³ *Aftenposten*, 11. July 1962.

Figure2: Stock prices index in Norway, 1945-1968; Whaling and shipping companies.



Source: Ø. Eitrheim, J.T. Klovland and J.F. Qvigstad (eds.), *Historical Monetary Statistics for Norway, 1819-2003*, Norges Bank Occasional Papers No. 35, Oslo 2004. Annual averages compiled from monthly data.

What about the British, Dutch and South African whaling companies? How did they manage the transition?

The Dutch NMW had put its large and expensive *Willem Barendsz II* in business in 1955 and its about ten year of service coincided with the decline of the Antarctic industry. The company therefore all

the time had to struggle to make a profitable business and look for ways to increase income. The factory ship was chartered to oil companies between seasons (as was the case with several other factory ships), larger emphasis was put on by-products like meal and frozen meat, new whale catchers were built. A main reason why the company was kept afloat, however, was that it annually from 1951 had received government financial aid.²⁴ The Government was obliged to buy the whale-oil and offset any negative financial results. The building of the factory ship was also done on very favourable terms. Such arrangements obviously delayed the winding up of the business. When eventually *Willem Barendsz II* was taken out of business in 1964, the whaling quota was sold to Japan and the vessel was sold to a South African company as a fish-factory. When NMW was dissolved in 1967, the 'shareholders had no reason to complain'.²⁵

'[T]he British owners realized their assets and turned to more lucrative pursuits'. So ends Jackson his history of the British whaling trade.²⁶ The Hector Whaling Co. disappeared soon after their *Balaena* expedition returned home in 1960. The factoryship was sold to Japan together with a refrigerating vessel and seven catcher boats. Other catchers went elsewhere and two transporters were scrapped. The company was then acquired by the Scottish shipping company Cayzer, Irvine and Co. and the remaining assets were incorporated into a complex shipping conglomerate.²⁷

The Salvesen company had a much longer post-whaling life. It expanded its general shipping activities and operated a large fleet both in the deep sea trades, in the short-sea and costal trades, and eventually in oil services. Salvesen also made a remarkable transition to new businesses. It started in the 1950s with the acquisition of several factory fishing trawlers. This business proved not to be profitable, and was terminated in 1967. It had, however, led the company into shore-based cold storage that again led to transportation especially of frozen food. In the 1980s it bought into several other lines of businesses making it a major industrial conglomerate.²⁸

²⁴ Bruijn, *op.cit.*, p. 314 ff.

²⁵ *Ibid.*, p. 321.

²⁶ Jackson, *op.cit.*, p. 248.

²⁷ Bakka, *op.cit.* p. 73. See also www.shipnostalgia.com.

²⁸ Vamplew, *op.cit.*, p. 260ff., N. Watson, *The Story of Christian Salvesen 1846-1996*, London (James & James Publ.) 1996, G. Sommer, *From 70 North to 70 South. A History of the Christian Salvesen Fleet*, Edinburgh (Blackwood Pillans & Wilson Ltd.) 1984.

The South African Union Whaling Company of Durban experienced a peculiar last phase of the whaling business. Its floating factory *Abraham Larsen* (named for one of the Norwegian pioneers of the company) was, as we have seen, the first of the Antarctic expeditions that was withdrawn and sold to Japan - in 1957. But the company also operated a shore whaling station outside Durban. The business was concentrated there. The plant was expanded, and was said to be the largest and most sophisticated whaling station in the world.²⁹ It was not closed before 1975 when costs could not justify further operations. By then the company for many years had been controlled by an investment company in Johannesburg.

Consequences for the labour market and the local economy

The whaling industry was, as we have seen, of special importance to the Norwegian county of Vestfold. In addition to employment directly related to whaling, many companies depended on the industry, especially as providers of services and supplies. How was the decline tackled in the region?

In the season of 1955/56 about 5.300 men from Vestfold went whaling. From then on numbers declined. Annually, several hundred jobs disappeared. 'Dark clouds are drifting towards Vestfold', a newspaper wrote in 1960 in a survey of the disappearing jobs in the industry.³⁰ A few years later, most of the jobs were gone. On the very last *Kosmos IV* expedition in 1967/68 only 384 men were hired for the factory ship and the catcher boats.³¹

A reasonable expectation was that unemployment would increase as one of the most important industries of the region disappeared. This did not happen. In the period from the mid 1950s to the end of the 1960s, unemployment in Vestfold was not increasing. Furthermore, it was not higher than elsewhere in Norway.³² So, what did the whalers do when they no longer could go south in the autumn?

²⁹ C. de Jong, 'A history of whaling from Durban', in Guest and Sellers (eds.), *The Receded Tides of Empire. Aspects of the Economic and Social History of Natal and Zululand since 1910*, Pietermaritzburg (Univ. of Natal Press), 1994, p. 124ff.

³⁰ *Bergens Tidende*, 16. July 1960.

³¹ *Norsk Hvalfangst-Tidende (The Norwegian Whaling Gazette)*, No. 1, 1968. Table: "Whaling fleet crews 1938/39 – 1967/68".

³² Vik, *op.cit*, pp. 38 and 39.

A majority of the Norwegian whalers, about 2/3, were sailors. The obvious alternative for them was to take on a new job in the merchant marine. Since shipping in general experienced prosperous times, there was a need for more crew. The demand for new labour seemed actually larger than what could be covered by the redundant whalers, and the ship owners in Vestfold complained about how difficult it was to get enough crew.³³

The merchant marine alone could not solve all problems. Many whalers were not sailors in a traditional sense. They were regular workers aboard the floating factories or at the shore stations. The alternative for them was to apply for a new job ashore. Fortunately, there were vacant jobs around. Business cycles were favourable. However, some categories of former whalers faced problems, especially the skilled workers of the trade like gunners and flensers. On the whaling grounds they were well paid and at the top of the hierarchy in the trade, but they had no education and their skills were not easily transferable to other work. But many workers in these categories were close to 60 years of age and could retire. A consequence of the gradual decline of the industry was that the companies had been reluctant to hire new (and young) people, but had kept the most experienced workers. The average age had increased.

A special type of business that was affected by the close of whaling was the Norwegian agents for the foreign whaling companies. Such companies that for years had been operating in Sandefjord and Tønsberg were responsible for hiring crew to the British and South African pelagic expeditions as well as the shore stations at South Georgia. These firms as such did not, however, employ many people, so it had no consequences for the local labor market.

What about the supply industry? The large shipyards prospered due to the brisk demand for new merchant ships. The dark clouds that eventually were going to appear, were still behind the horizon. The situation was worse for the small specialized yards and workshops that only served the whaling fleet. These were gradually closed down or converted into other businesses. Thor Dahl, for example, had two maintenance yards. One of them (Thorøya) was from 1963 used as a plastics product manufacturer. The other (Kamfjordverven), founded in 1913, closed its doors in 1965.³⁴ The companies that made specialized equipment for the international whaling industry, also had to change. Corneliussen Mek. Verksted in Sandefjord, the most important manufacturer of harpoons, managed through the transition years and set up a new line of products, but closed in 1979. H.

³³ Vestfold Shipowners' Association (Vestfold Rederiforening) annual reports until 1968; see also Vik, *op.cit.*, p. 46.

³⁴ *Thor-Glimt*, No. 12, June 1963 and No. 17, December 1965.

Henriksen Mek. Verksted in Tønsberg, another manufacturer of harpoons is still in business, producing equipment for the small fleet of Norwegian coastal whalers, but mainly relying on new products for the maritime industry.

Life continued in Vestfold. The shipowners and the shipyards experienced flourishing business, and still had some good years ahead. In the labour market there were no signs of any serious crises.

The main explanations put forward by Vik still seem to be viable: The closing down process had been gradual. The business cycles in related industries (shipping and shore-based industries) were favourable. Skill- and age-characteristics of the whalers led to minor disturbances in the labour market.

In addition, the role of some governments should not be underestimated. The Dutch government subsidized the industry. At least to some degree the whaling policy of the Norwegian Government in the period slowed down the speed of the decline. What would have happened if more Norwegian companies had gone out of business at a higher speed in the 1950s is obviously difficult to assess. Probably the labour market locally in Vestfold would have experienced larger problems.

In Britain, the Netherlands and South Africa the local economic consequences of the decline of the whaling industry were never an important issue. In contrast to Norway, whaling had never been a significant industry in relative terms, in the local or the national economies. Indeed, many whalers employed by these companies were Norwegian citizens. The redundant whalers that actually lived in Britain, the Netherlands or South Africa were easily absorbed in the larger labour markets there.³⁵

Conclusions

This paper has studied the decline and final close down of the European Antarctic whaling industry in a period of about ten years from the late 1950s. It has reviewed the structure of the industry, analyzed the challenges it faced and how these were met. A main focus has been to study the consequences for the companies as well as for the wider economy. Despite the significance of the industry, in particular for one region of Norway, the decline never developed into a crisis. The transition went remarkably smoothly especially due to generally favourable business cycles at the

³⁵ Vamplew, *op.cit.*, p. 258, Elliot, *op.cit.*, p. 165.

time and more specifically the whaling companies' close ties with shipping, which facilitated a transition to this still prosperous part of the maritime industries.

Whaling became an important part of the economy especially in the Norwegian county of Vestfold for a 100-year period; from Svend Foyn's first attempts in Finnmark in the 1860s, through the heydays of Antarctic whaling and the final decline of the 1960s. The industry was closely associated with the development of the other maritime industries of the region. From the outset whaling was based on long maritime traditions. There were close links between whaling and shipping throughout the entire whaling era. Shipping was continued after whaling ended. Vestfold was all the time a region with a strong maritime community, and the whaling company owners almost without exception had several areas of business they could rely on. It was a very close knit maritime community that the whalers were part of.

What was left from the whaling? The industry obviously created growth, prosperity – and fortunes. This made the transition for all participants easier. In Norway and Vestfold in particular, it had also created a mentality and a culture that contributed to the fact that the region for many years remained a leading shipping community. Specifically, the roots in the whaling business gave an advantage within the rapidly increasing oil tanker business. However, only a decade after all whaling was wound up, the oil tanker market collapsed – yet another reminder of the volatility of the maritime trades.



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