

## CHAPTER 8

# After the war – from boom to depression (1918–1930)

## Introduction

During the First World War, credit was cheap and easily available, shipping rates were rising and interest rates were extremely low. The result was a wave of speculation in shipping, which ended with a stock market crash in Norway in October 1918, as shares were sold at great losses and several private shipping companies went bankrupt. This was followed by a period of economic boom in Norway and other European countries, which lasted until the autumn of 1920.<sup>754</sup> The boom was followed by a depression; Norway was particularly hard hit, with the UK close behind. The depression in the 1920s was more serious than the depression of the 1930s in Norway.<sup>755</sup> The Norwegian Bank pursued a policy that aimed to return the Norwegian currency to pre-war gold parity.<sup>756</sup> The result was a prolonged domestic downturn, known as the ‘special Norwegian crisis’, which lasted for most of the 1920s, after which the country was plunged into the global economic crisis that started in the autumn of 1929.<sup>757</sup> This is the background to the final phase of the history of the Norwegian ice industry and the fortunes of the company Thos. J. Wiborg & Son.

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754 Hodne & Grytten (1992), p. 96; Larsson (2000), p. 27; Hope (1990), p. 350; Rübner & Scholl (2009), p. 28.

755 Ibid.

756 For a review of the Norwegian gold parity policy, we refer to Hodne & Grytten (1992), pp. 101–106.

757 Hodne & Grytten (1992), pp. 96, 106; Rübner & Scholl (2009), pp. 29–30.

## The shipping market

During the First World War and shortly after, many Norwegian shipping companies entered into new shipbuilding contracts. These contracts were often at very high prices, reflecting the high rates prevailing during the economic upturn.<sup>758</sup> Contracts were made with steel shipyards, both in Norway and abroad. Since steel was a scarce commodity, new wooden steamships were also commissioned from shipyards that had previously built sailing ships, as well as vessels built of reinforced concrete or ferrocement.<sup>759</sup> In the spring of 1918, at the height of the construction boom, there were as many as 80 shipyards building wooden vessels in operation and 11 mechanical engineering works that were building or planning to build concrete ships.<sup>760</sup> However, in the spring of 1919, the shipyards again received steel from Britain which led to the normalisation of construction activities in the summer, despite the high prices.<sup>761</sup> It also put an abrupt end to the construction of concrete ships.<sup>762</sup> Now that steel was readily available, the need for wooden and concrete vessels disappeared.<sup>763</sup> The market remained vibrant throughout 1919 and on into the autumn of 1920, when both the price of vessels and freight rates fell sharply.<sup>764</sup> Post-war demand had been saturated and inventories were full, causing production to stagnate and trade to shrink.<sup>765</sup>

Worldwide, a total of seven million tons of merchant ships was launched in 1919. In addition, the UK authorities put four million tons of used ships up for sale, consisting of a mixture of standard British ship designs built during the war and older German ships that formed part of the war settlement.<sup>766</sup> By 1921, the global merchant fleet was 30% larger

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758 Norwegian Shipowners' Association (1960), p. 21; Schreiner (1963), p. 307.

759 Schreiner (1963), p. 396; Bakka (1975), p. 11. The history of wooden steamships in the period 1900 to 1913 has previously been discussed in Chapter 2 of this book.

760 *Ibid.* Schreiner (1963) reports the existence of ten concrete vessel workshops, while Bakka (1975) finds a total of eleven and names them all.

761 Schreiner (1963), p. 405; Bakka (1975), p. 15.

762 *Ibid.*

763 *Ibid.*

764 Norwegian Shipowners' Association (1960), p. 22.

765 *Ibid.*; Hope (1990), p. 357.

766 Hope (1990), pp. 357, 358.

than in 1913. At the same time, global trade had shrunk by 20%,<sup>767</sup> and this mismatch led to a crisis in the shipping sector. Ship values and freight rates continued to fall, and a large number of ships were laid up.<sup>768</sup> In 1925, the overcapacity of ships represented probably between 23% and 26% of the world fleet.<sup>769</sup> The conditions in the tramp market in commodities such as ice, coal, grain, ore and timber, where Thos. J. Wiborg & Son was engaged, alternated between bad and worse from about 1920 and the following 15 years.<sup>770</sup> The European demand for tramp ships decreased, which led to the need for newer and larger ships to create profitability.<sup>771</sup> The crisis is clearly visible in the falling number of voyages undertaken by Norwegian ships: in 1913, Norwegian ships made a total of 20,300 voyages in the northwest Europe and Baltic trade; by 1925, this number had fallen to 12,000.<sup>772</sup> It was followed, in the autumn of 1929, by the stock market crash in New York and the Great Depression, which also affected shipping and created major overcapacity in the 1930s.<sup>773</sup> We will now turn to look at how Thos. J. Wiborg & Son ran its shipping business in these troubled times.

## Thos. J. Wiborg & Son's shipping activities

As we have seen, at the end of the war, Thos. J. Wiborg & Son owned and managed two ships through separate limited companies: the full-rigged ship *Karmø* and the steamship *Renen*.<sup>774</sup> A third ship, a steamship, was ordered in the autumn of 1917 from the Dutch shipyard NV Scheepswerf Zeeland, with delivery in 1919.<sup>775</sup> The new steamship was named *Elgen*

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767 Norwegian Shipowners' Association (1960), p. 22.

768 Ibid.; Larsson (2000), p. 27; Hope (1990), p. 357.

769 Rübner & Scholl (2009), p. 29. (Converted to a percentage by the author).

770 Norwegian Shipowners' Association (1960), p. 27.

771 Ibid.

772 Statistics Norway. Historical statistics of water transport (1925), p. 16. (This applies to both the tramp and liner trades).

773 Norwegian Shipowners' Association (1960), p. 24; Rübner & Scholl (2009), pp. 29–30.

774 The ships were owned through separate limited companies, controlled by Thomas Johannes Wiborg.

775 Thos. J. Wiborg Archive. Board protocol AS Renen (1917). From a board of representatives meeting held on 27 March 1917.

and it was owned by the limited shipping company AS Renen, where Thos. J. Wiborg & Son formed the board and management.<sup>776</sup> The *Karmø* was sold in 1919, and in January 1920, the *Renen* sank after colliding with a Swedish steamship (*Fermia*)<sup>777</sup>



**Picture 8-1.** Report of the sinking of the SS *Renen*.

Source: *Norges Handels og Sjøfartstidende* (28 January 1920).

Having lost the *Renen*, Thos. J. Wiborg & Son soon bought a replacement through AS Renen, namely the motor ship *Tartar* (see Pictures 8-2 and 8-5), which was built of reinforced concrete.<sup>778</sup> Both the *Elgen* and the *Tartar* had been acquired during the economic boom at high prices: the price for the newly built steamship *Elgen* was NOK 675,000 and for the *Tartar*, the one-year-old concrete motorship, NOK 600,000.<sup>779</sup>

AS Renen had made a profit in every year since the company was established in 1916. In 1919, it reached NOK 204,000, of which NOK 60,000 were paid out in dividends to its shareholders while the rest was kept in

<sup>776</sup> Thos. J. Wiborg & Son also formed the board of AS Renen. *Norsk Kundgjørelsestidende* (21 March 1916). A notification made by AS Renen in the companies' register.

<sup>777</sup> Thos. J. Wiborg Archive. Chartering journal (1920).

<sup>778</sup> Thos. J. Wiborg Archive. Board protocol AS Renen (1920). From the board meeting held on 4 April 1920. An offer from Thygo Sørensen AS to buy the MS *Tartar*, 2 February 1920.

<sup>779</sup> Ibid. Thos. J. Wiborg Archive. Board protocol AS Renen (1917). Board of Representatives meeting held on 27 March 1917; Bakka (1975), p. 13. MS *Tartar* was delivered by the concrete ship-builders in March 1919.



the company. In the following year, it made a profit of NOK 565,000, and once again, NOK 60,000 were paid out in dividends.<sup>780</sup>



**Picture 8-2.** The MS *Tartar* loaded with pit props.

Source: Courtesy of John Tore Norenberg.

However, at the beginning of 1921, things changed drastically for the company. As already discussed, the international shipping sector moved from its post-war boom into crisis. The first signs of problems can be seen in the minutes of an AS Renen board meeting on 22 December 1920, where it was stated that both ships were ordered to Brevik to be laid up.<sup>781</sup> Conditions in the freight market were poor, it was noted, and it was impossible to trade profitably. Indeed, according to the newspapers, both ships remained laid up until the summer of 1921.<sup>782</sup> The company was fully aware that the situation was serious and likely to persist. At its general meeting four months later, on 26 April 1921, it decided to use the previous year's profits to write down the value of its ships.<sup>783</sup> During the remainder of 1921, the board and supervisory board continued to work to save the company. In June, a request was sent to the bank *Allgemeine Groningen*

780 Thos. J. Wiborg Archive. Board protocol AS Renen (1919, 1920). Audited accounts for 1919 and 1920.

781 Ibid. Board meeting held on 22 December 1920.

782 *Norges Handels og Sjøfartstidende* (1921). Weekly alphabetical ships lists.

783 Thos. J. Wiborg Archive. Board protocol AS Renen. General meeting on 26 April 1921.

*Scheeps Hypothekbank* in the Netherlands, which was the largest creditor and mortgagee in the *SS Elgen*, for a deferral of instalment payments on the loan.<sup>784</sup> This was refused.<sup>785</sup> In October, the Central Bank of Norway, which had granted the company overdraft facilities, sent a demand for a mortgage bond in the *Tartar* as security. A first priority mortgage bond of NOK 125,000 was issued for this ship.<sup>786</sup>

And thus came the end. The accounts for the year 1921 revealed a deficit of NOK 85,000, which the company simply could not pay. In December 1921, AS Renen announced that the company was unable to pay the interest or the instalment on the mortgage on the *Elgen* when due.<sup>787</sup> The ship was transferred to the Dutch mortgagees to cover a mortgage debt of NOK 420,000.<sup>788</sup> About a month later, in January 1922, the Central Bank of Norway requested that the company pay its debts immediately or it

would seek to sell the *Tartar* at a foreclosure auction. The auction was subsequently advertised to take place on 22 April 1922 (see Picture 8-3), and the ship was sold in order to cover a mortgage bond of NOK 125,000. This sum was far from achieved. The *Tartar* was sold for NOK 52,000.<sup>789</sup> On 8 June 1922, a limited shipping company called AS Tartar was entered in the national vessels' register, with the company Thos. J. Wiborg &



**Picture 8-3.** Notice for the auction of the *MS Tartar*.

Source: *Norsk Kundgjørelsestidende* (23 March 1922), no. 73.

784 Thos. J. Wiborg Archive. Board protocol AS Renen (1921). Board of representatives meeting held on 9 June 1921.

785 Ibid.

786 Ibid. Board of representatives meeting held on 12 October 1921.

787 Ibid. Board of representatives meeting held on 3 December 1921.

788 Thos. J. Wiborg Archive. Copy book marked Østenstad Elvik (1922–1928). Letter from Thos. J. Wiborg & Son to the tax authorities in Kristiania, 16 January 1924. In order to obtain a debt-free deed, the mortgagees subsequently held a new foreclosure auction of the vessel on 9 May 1922 and sold it to Carl Mathisen's shipping company in Bergen.

789 *Norsk Kundgjørelsestidende* (23 March 1922), no. 73; Thos. J. Wiborg Archive. Copy book marked Østenstad Elvik (1922–1928). Letter from Thos. J. Wiborg & Son to the tax authorities in Kristiania, 16 January 1924.

Son declared as both board and managing directors.<sup>790</sup> In effect, the company had bought back the vessel, under the name AS Tartar.

On 26 April 1922, yet another limited shipping company, called AS Knut, was formed.<sup>791</sup> Its objective was ‘*the purchase, operation and possible sale of the steamship “Knut Skaaluren” and potentially other vessels.*’ Once again, the entry states that the board and management consisted of the company Thos. J. Wiborg & Son.<sup>792</sup>

It is clear that the company did not in fact wind up its shipping activities, but continued to make investments and acquisitions in the sector. The purchases were made at entirely different prices than those during the boom. In January 1920, Thos. J. Wiborg’s subsidiary AS Renen paid NOK 600,000 for the *Tartar*; now, almost two years later, the price for the same vessel was NOK 52,000. The wooden steamship *Knut Skaaluren*, built in 1900, sold in January 1916 for NOK 300,000, and in May 1917, it was sold again, for NOK 825,000, before being sold once more in April 1922, to Thos. J. Wiborg & Son’s subsidiary AS Knut for a fraction of the original price, namely NOK 82,500.<sup>793</sup> What we see is how the value of ships rose during the boom, only to fall dramatically during the post-war crisis of the 1920s.

About a year later, at the general meeting on 28 April 1923, it was decided to wind up the company AS Renen, with Thos. J. Wiborg & Son as appointed liquidators, a decision that was confirmed at an extraordinary general meeting held on 7 June 1923.<sup>794</sup> The company was finally wound up at a second extraordinary general meeting held two years later, on 16 May 1925.<sup>795</sup>

The bankruptcy of AS Renen also demonstrates the benefits of organising vessels as independent limited companies. If a limited company went bankrupt, it would have no impact on the managing company, which in these cases was Thos. J. Wiborg & Son. On the contrary, the company was able to rid itself of debt and reclaim previous vessels on the cheap.

790 *Norsk Kundgjørelsestidende* (30 June 1922), no. 155.

791 *Norsk Kundgjørelsestidende* (24 May 1922), no. 124.

792 *Ibid.* ‘Selskapets formaal er kjøp, drift og eventuelt salg av dampskibet «Knut Skaaluren» og mulige andre skibe.’

793 Dannevig (1981), p. 72; Thos J. Wiborg archive Copy book Letter from Thos. J. Wiborg & Son to the tax authorities in Kristiania, 16 January 1924. In January 1916 SS *Knut Skaaluren* was sold to Bernt and Hans Ramton, in May 1917, sold via Hannevig Brothers AS to AS Mai.

794 Thos. J. Wiborg Archive. Board protocol AS Renen (1923). General meeting held on 28 April, extraordinary general meeting held on 7 June 1923.

795 *Ibid.* Extraordinary general meeting held on 16 May 1925.

## The shipwreck of the MS *Tartar*

Only six months after having bought back the *Tartar*, the periodical *Norges Handels og Sjøfartstidende* reported on 27 July 1922 that the ‘*Tartar has run aground*’, and the next day’s headline read, ‘*Tartar full of water. Poor prospects for salvage.*’<sup>796</sup> (See Picture 8-4).



**Picture 8-4.** Reports of the shipwreck of the MS *Tartar*.

Source: *Norges Handels og Sjøfartstidende* (27, 28 July 1922).

MS *Tartar* had been on a voyage from London to Lysaker near Kristiania with a cargo of coke.<sup>797</sup> After passing through the Kaiser-Wilhelm Canal,<sup>798</sup> the ship continued en route from Holtenau through Storebælt, but came too close to land and ran aground on the Danish Halskov Reef.<sup>799</sup> A contract was signed with the Danish salvage company Switzer, which initially refloated the vessel. However, it had to be grounded again because it was taking in water and about to sink.<sup>800</sup> It was decided to unload the cargo and make the vessel water tight before another attempt was made to refloat it.<sup>801</sup> After first sending enquiries to shipyards in Hamburg and Moss, Thos. J. Wiborg & Son eventually had the vessel repaired at the Danish Nakskov shipyard.<sup>802</sup> It had been badly damaged and was not fully repaired and released from the dock until 13 September.<sup>803</sup> Incorrect navigation was cited as the cause of the accident, due in part to the absence of updated charts.

796 *Norges Handels og Sjøfartstidende* (27 July, 28 July, 4 August 1922); *Aftenposten* (28 July 1922).

797 Ibid.

798 Today known as the Kiel Canal.

799 *Arbeiderpolitikken* (30 November 1922).

800 *Aftenposten* (28 July 1922); *Norges Handels og Sjøfartstidende* (4 August 1922).

801 *Norges Handels og Sjøfartstidende* (4 August 1922).

802 Thos. J. Wiborg Archive. Copy book marked Østenstad Elvik (1922–1928), p. 2. Updated telegram regarding A. G. Weser, p. 17. Telegram, 6 September 1922 regarding the Moss shipyard.

803 Ibid. Telegram from Thomas Johannes Wiborg.

Both the captain and the vessel's first officer were fined,<sup>804</sup> the former for not updating the charts and the latter for changing the ship's log after the event.<sup>805</sup>



**Picture 8-5.** The MS *Tartar*.

Source: Courtesy of John Tore Norenberg.

The shipwreck of the *Tartar* generated financial and practical problems for Thos. J. Wiborg & Son. As the company's representative, Wiborg himself made the trip to Korsør and stayed there for more than seven weeks, from early August until the ship was finally repaired in mid-September.<sup>806</sup> His copy book contains numerous long letters about discretionary and insurance settlements, settlements with the salvage company, as well as a number of telegrams to the office in Kristiania.<sup>807</sup> Unfortunately, the poor quality of these letters has made it difficult to relate the entire story, but there is no doubt that Wiborg encountered many complex issues and difficulties while he was in Denmark. For example, in a letter to Nils Elvik, the foreman at the Elvik ice facility, he began by saying that he was still in Denmark due to the '*damned accident of Tartar. [...] ... there are so many difficulties here of all kinds that they defy description ...*'<sup>808</sup> One of the problems was that the *Tartar* was not insured for total shipwreck.

804 *Arbeider-politikken* (30 November 1922).

805 *Ibid.*

806 Thos. J. Wiborg Archive. Copy book marked Østenstad Elvik (1922–1928), p. 23. Letter to Tom Wiborg, 4 September 1922.

807 *Ibid.*, pp. 1–25.

808 *Ibid.*, p. 22. Letter to Nils Elvik, 4 September 1922; Poppe (1997), p. 34. The spelling 'Elvik' is chosen since this is how it appears in the source material.



This meant that the company had to cover the costs and take responsibility for the vessel in its damaged condition and for repairs.<sup>809</sup> In a letter to his son Tom, Wiborg reiterated that he was at a loss to see the end of the problems resulting from the accident; he had been in Denmark for six weeks and expected to stay there for two more.<sup>810</sup>

### *Trade continues*

SS *Knut Skaaluren* continued to operate in trade in northern Europe during this period, while the *Tartar* did not return to ordinary operations until April 1923.<sup>811</sup> Both ships were in full operation for the remainder of 1923, except for June and July when they were laid up for the summer.<sup>812</sup> In February 1924, the company Thos. J. Wiborg & Son purchased (through AS Knut) the wooden steamship *Tromøy*, built in 1921.<sup>813</sup>



**Picture 8-6.** The SS *Tromøy* during outfitting under its former name, *Solnut*.

Source: Courtesy of Stavanger City Archive.

809 Thos. J. Wiborg Archive. Copy book marked Østenstad Elvik (1922–1928), p. 22. Letter to Nils Elvik.

810 *Ibid.*, p. 23. Letter to Tom Wiborg, 4 September (1922).

811 *Norges Handels og Sjøfartstidende (1922–1923)*. Weekly alphabetical ships list for the period 17 August 1922 to 4 April 1923.

812 *Ibid.*

813 *Agderposten* (9 February 1924); Thos. J. Wiborg Archive. Accounting protocol for the shipping company AS Knut. Capital account for the SS *Tromøy*.

But trading conditions were difficult in 1924, and the three ships did not resume trading after having been laid up for parts of June and July. They were reported as being idle in the ‘Tyne area’, probably waiting for cargo.<sup>814</sup> Rates continued to fall,<sup>815</sup> and by the end of the year, the *Tartar* was laid up in Brevik where it remained for much of 1925 and 1926. The *Tromøy* made only two voyages in 1925 before it too was laid up. It was put up for sale in May 1925, just fifteen months after it was bought, but the company was unable to sell it.<sup>816</sup>

In a letter to Nils Elvik in October 1925, Wiborg complained that the market was so poor that a shipment of pit props for export, with coal in return, had resulted in a loss of NOK 1,000.<sup>817</sup> He concluded that ‘everything is going to the devil’.<sup>818</sup> *Tromøy* was re-advertised on 8 May 1926. The sales advertisements are reproduced in Picture 8-7.<sup>819</sup>



**Picture 8-7.** Sales advertisements for the SS *Tromøy*.

Source: *Norges Handels og Sjøfartstidende* (4 May 1925, 8 May 1926).

The second advertisement paid off and the vessel, which had been bought in February 1924 for NOK 110,000, was sold in June 1926 for NOK 45,000 to shipowner Salomonsen in Kopervik.<sup>820</sup> A cash payment of NOK 15,000 was made on acquisition with the remainder to serve as a loan.<sup>821</sup> Salomonsen paid by instalments and the loan was finally repaid

814 *Norges Handels og Sjøfartstidende* (1924). Weekly alphabetical vessels list for the period 10 January to 12 December 1924.

815 Statistics Norway. Historical statistics of water transport (1928). Average freight statistics for the years 1914 to 1928.

816 *Norges Handels og Sjøfartstidende* (4 May 1925).

817 Thos. J. Wiborg Archive. Copy book marked Østenstad Elvik (1922–1928), p. 30. Letter to Nils Elvik, (17 October 1925).

818 Ibid. ‘Alt gaar til Bloksberg’ [sic].

819 *Norges Handels og Sjøfartstidende* (8 May 1926).

820 Thos. J. Wiborg Archive. Accounting protocol for the shipping company AS Knut. (1926) Capital account for the SS *Tromøy*.

821 Ibid. With Wiborg retaining first priority in the ship.



in December 1928.<sup>822</sup> The *Tartar* was also sold in 1926, to the Kristiania shipping company Arth. H. Mathiesen, after having been laid up for a long period.<sup>823</sup> In December, one month after the sale, it was decided to dissolve the company AS Tartar, and it was formally wound up in December 1927.<sup>824</sup>

After these sales, Thos. J. Wiborg & Son was left with only one vessel, the *Knut Skaaluren*, shown in Picture 8-8 loading ice. It was built in 1900 and was the oldest of the company's post-war acquisitions. It was also the largest vessel and the one most frequently in operation. It had thus the greatest earning potential for the company, and its age probably made it more difficult to sell. As a wooden vessel, it was suitable for trade in the polar regions.<sup>825</sup> In the summer of 1925, it was chartered by the Spitsbergen coal trading company, the Store Norske Spitsbergen Kulcompani, to transport miners and supplies from Tromsø to Spitsbergen, and miners and coal on return.<sup>826</sup>



**Picture 8-8.** The SS *Knut Skaaluren* loading ice.

Source: From Worm-Müller (1935), p. 699.

822 Ibid. Account for A. Salomonsen, Kopervik.

823 *Norges Handels og Sjøfartstidende* (25 November 1926).

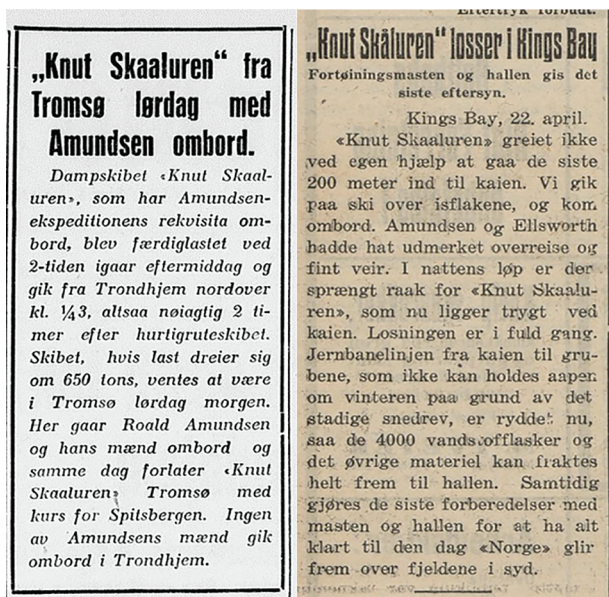
824 *Norsk Kundgjørelsestidende* (14 January 1927, 14 January 1928).

825 The wooden hull's insulating capacity was better than a hull made of steel or iron. It was also flexible and could withstand great stress.

826 *Express* (Kristiansund) (30 April 1925).

## The SS *Knut Skaaluren* and the Amundsen-Ellsworth-Nobile transpolar flight

In the spring of 1926, *Knut Skaaluren* appeared in newspapers all over Norway and as far away as the US.<sup>827</sup> The ship was chartered to assist the Norway expedition, the ‘Amundsen-Ellsworth-Nobile transpolar flight’, by which Roald Amundsen, Lincoln Ellsworth, Umberto Nobile and Hjalmar Riiser Larsen and others travelled aboard the airship *Norway* from Ny Ålesund in Svalbard across the North Pole to Teller in Alaska.<sup>828</sup> The *Knut Skaaluren* transported provisions, spare parts, hydrogen cylinders and other equipment from Trondheim via Tromsø to Kings Bay (*Kongsfjorden* by Ny Ålesund).<sup>829</sup> Amundsen, Ellsworth and the other members of the expedition joined the vessel in Tromsø.<sup>830</sup> Picture 8-9 shows reports of the event from two Norwegian newspapers.



**Picture 8-9.** Newspaper clippings: The SS *Knut Skaaluren* and the Norway expedition.

Sources: *Trondhjems Adresseavis* (15 April 1926) and *Hedemarkens Amtstidende* (23 April 1926).

827 Examples include the newspapers *Trondhjems Adresseavis* (Trondheim), *Hedemarkens Amtstidende* (Hamar), *Haalogaland Harstad* (Harstad), *Bergens Tidende* (Bergen) and the *Skandinaven*, published in Chicago, Minneapolis and St. Paul in the US.

828 Barr (2019) in the *Store norske leksikon* (Norwegian encyclopedia).

829 *Haalogaland Harstad* (14 April 1926).

830 *Hedemark Amtstidende* (23 April 1926).

Despite the fame it achieved, the profit from the vessel's operations in 1926 was a mere NOK 585. The company AS Knut suffered a loss of NOK 51,000 for the year, mostly linked to the sale of the *Tromøy*.<sup>831</sup> In the following year, the *Knut Skaaluren* was laid up for long periods. Even though the ship had carried out four paid voyages, revenues were insufficient to cover the vessel's expenses and were not nearly enough to cover the debt incurred by the sale of the *Tromøy*. Since Thos. J. Wiborg & Son was failing to make enough money, combined with the fact that its general manager had attained the great age of 82, it was becoming clear that the most sensible solution was to sell the *Knut Skaaluren* and cease operations.<sup>832</sup> The ship was advertised for sale in the summer of 1927.<sup>833</sup> At the same time, it was being chartered for the 'Icelandic trade'.<sup>834</sup> The ship was sold in December 1927 for NOK 55,000 to Hans Hansen in Langesund, on terms similar to the ones used when the *Tromøy* was sold.<sup>835</sup> This sale brought Thos. J. Wiborg & Son's activities in the shipping business to a close.

### *Consequences of the crises*

The main reason for the problems experienced by the company in the 1920s was the very difficult market situation in the shipping sector. Thos. J. Wiborg & Son was operating in the tramp trade, with goods such as coal, grain, ice, ore and timber, transporting the goods in one motor ship built of concrete and two wooden steamships, all rated at less than 900 tons deadweight. During the 1920s, this fleet was not only regarded as small, but also as obsolete.<sup>836</sup> Tramp shipping of these types of bulk cargoes was one of the segments hardest hit by the economic crisis and the

831 Thos. J. Wiborg Archive. Accounting protocol for the shipping company AS Knut (1925–1928). Profit and loss account 1926.

832 The source material does not tell us whether or not Thomas Johannes Wiborg was still making the decisions.

833 *Norges Handels og Sjøfartstidende* (9 July 1927). Advertisement for the sale of the *Knut Skaaluren*.

834 Thos. J. Wiborg Archive. Accounting protocol for the shipping company AS Knut (1925–1928). Timecharter, Iceland; Bakka (1983), p. 43. The 'Icelandic trade involved carrying a cargo of empty barrels and salt to Iceland and returning with barrels full of salted fish'.

835 Thos. J. Wiborg Archive. Accounting protocol for the shipping company AS Knut (1925–1928). Cash payment of NOK 15,000 on acquisition and NOK 40,000 as a loan to the purchaser, with Wiborg retaining first priority on the ship.

836 Bakka (1983), pp. 36–37, 42–43.

company's outdated tonnage only exacerbated the problem. Moreover, T. J. Wiborg, the company's general manager, was aging and, although he remained focused and rational, his physical condition was reduced. In 1926, he wrote that his mobility was so impaired that he had to have support to stay on his feet.<sup>837</sup> The decision taken in 1927 to close down the shipping activities seems to have been a wise one.

## Market conditions and Norwegian ice exports

Once the First World War was over, Norway resumed its export of ice (volumes and export destinations are listed in Table 8-1). Sweden and Denmark remained important markets, while the UK market grew quickly to high levels in the early 1920s, after which it fell steeply in 1926. The UK import ban of 1916 had been lifted but the problems of the 1920s were reflected in falling imports. The largest volume recorded was 24,325 register tons in 1922, a reduction of 85% on the 1913 figure. The pre-war sales volumes to the UK were never regained.

**Table 8-1.** Norwegian ice exports distributed by country (1919–1930)

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	Total	In %	
<b>UK</b>	1,354	7,970	12,012	24,325	15,939	7,453	5,051	3,958	1,719	1,762	2,324	2,351	<b>86,218</b>	<b>20.63%</b>	
<b>Ireland</b>								154	387	693	344	188	238	<b>2,004</b>	<b>0.48%</b>
<b>Sweden</b>	5,610	4,195	12,730	2,562	5,786	2,012	22,955	7,280	18,490	6,751	4,106	10,468	<b>102,945</b>	<b>24.63%</b>	
<b>Denmark</b>	2,238	1,798	13,054	1,259	3,394	1,610	8,526	6,918	5,555	3,462	3,754	3,026	<b>54,594</b>	<b>13.06%</b>	
<b>Germany</b>							64,611	2,235	28,278	2,391	5,668	27,147	<b>130,330</b>	<b>31.19%</b>	
<b>France</b>	2,887	6,638	10,309	12,289	2,777	3,509	3,562	3,743	3,244	2,369	1,211	799	<b>53,337</b>	<b>12.76%</b>	
<b>Other countries</b>					146	16	303		20	80			<b>565</b>	<b>0.14%</b>	
<b>Total</b>	<b>12,089</b>	<b>20,601</b>	<b>48,105</b>	<b>40,435</b>	<b>28,042</b>	<b>14,600</b>	<b>105,162</b>	<b>24,521</b>	<b>57,999</b>	<b>17,159</b>	<b>17,251</b>	<b>44,029</b>	<b>417,904</b>	<b>100.00%</b>	

Source: Compiled on the basis of Statistics Norway. Historical statistics of external trade (1919 to 1930).

As previously noted, Norwegian ice exports peaked in 1898, after which they declined throughout the period of 1900 to 1913. The decline was linked

<sup>837</sup> Thos. J. Wiborg Archive. Copy book marked Østenstad Elvik (1922–1928), p. 64. A letter to a lawyer called Wiese, 11 March 1926.

to the growth of high-quality, factory-produced ice at competitive prices. (See Refrigeration and industrialised production of ice in Chapter 1). During the war, when Norwegian ice exports to the UK ceased entirely, British domestic factory ice assumed a dominant position in the market, and this supremacy continued after hostilities had ceased.<sup>838</sup> Moreover, in the second half of the 1920s, Norwegian exporters encountered greater competition in the UK ice market.<sup>839</sup> In 1926 and 1927 in particular, ice from Germany, among others, began to make inroads into the UK market.<sup>840</sup> By 1927, a situation had developed whereby Norwegian ice was being exported to Germany at the same time as German ice was being exported to the UK. In 1926, a total of 12,007 long tons of ice were imported to the UK, of which approximately 6,350 tons came from Norway. In 1927, the corresponding figures had fallen to 10,088 tons and approximately 2,750 tons.<sup>841</sup>

The decline in exports did not only apply to the UK; exports to the rest of Europe fell by 75% between 1913 and 1922, from 65,560 register tons to 16,110.<sup>842</sup> Some countries, such as Belgium and the Netherlands, which had been major export destinations prior to the war, did not import any ice at all from Norway in the 1920s, and Germany did not import Norwegian ice until 1925. Exports to France were resumed soon after the war, but in much smaller volumes than before. From 1923, the decline intensified, continuing throughout the 1920s.<sup>843</sup> Sweden and Denmark were the only countries that maintained their pre-war levels of ice imports from Norway. One reason for this was that the production of artificial ice in these countries was not as advanced as elsewhere in Europe, where the production of factory ice had increased every year since before the turn of the century. T. J. Wiborg was not happy about the mechanisation of ice production: *'The world war opened the door to the ice machines everywhere*

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838 Wiborg (1943), p. 5; Norwegian Maritime Museum. The Worm-Müller Collection, Box 1, Brevik/Langesund. Letter from Thomas Johannes Wiborg to Jacob Worm-Müller (1926) p. 3.

839 Statistics Norway. Historical statistics of external trade (1920–1930); *Cold Storage and Produce Review* (1920–1930).

840 *Cold Storage and Produce Review* (19 January 1928).

841 Compiled on the basis of Statistics Norway. Historical statistics of external trade (1926–1927). Tables related to Norwegian commerce: Table 11 (1926) p. 172, Table 11 (1927), p. 178; *Cold Storage and Produce Review* (19 January 1928).

842 Ibid.

843 Ibid.

*and, after the war, our opportunities for ice sales were greatly reduced in most of our old markets. It is only extraordinary needs that are now breathing life into the ice exports.*<sup>844</sup>

At the same time, it had become difficult to deliver large quantities of ice from Norway because many exporters had ceased operations during the war.<sup>845</sup> Much of the country's production facilities and infrastructure had been dismantled, and even in peacetime it was not considered profitable to rebuild them.<sup>846</sup> Similarly, the journal *Cold Storage and Produce Review* reported that the war had caused many of the British ice importers to wind up their businesses.<sup>847</sup> Several of the UK warehouses that had previously stored Norwegian ice were left to decay during the war, and it was not considered profitable to restore them.<sup>848</sup> The combined lack of importers and a shortage of storage facilities both contributed to the decline in UK ice imports.<sup>849</sup> It was also more difficult than before the war to obtain suitable tonnage, such as wooden steamships, as iron-hulled steamships were on the rise.<sup>850</sup> Furthermore, prices for transport of ice in 1923 were higher than before the war because of the demand for tonnage to transport coal.<sup>851</sup> The decline in ice exports should also be seen in the light of the economic policies adopted by the Norwegian Government in the 1920s, described above.

However, there were also good years. As already noted, demand for Norwegian ice was high during years with hot summers. In July 1920, *Cold Storage and Produce Review* reported that ice factories in Britain were unable to meet current demand.<sup>852</sup> In Grimsby, the fishing fleet was laid up in port waiting for ice supplies, while in Hull, both the butchers and fishing companies were complaining about a shortage of ice.<sup>853</sup> The Norwegian ice exporters were unable to satisfy demand, but for the ice

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844 Norwegian Maritime Museum. The Worm-Müller Collection, Box 1, Brevik/Langesund. Information concerning ice exports sent by Thomas Johannes Wiborg to Jacob Worm-Müller.

845 Wiborg (1943), p. 5. Nicolay Wiborg, for example, who was one of Norway's largest pre-war ice exporters, shut down his operations in the autumn of 1917.

846 *Cold Storage and Produce Review* (15 April 1920), p. 86, (18 January 1923), p. 7.

847 *Ibid.*, (20 March 1924), p. 88.

848 *Ibid.*

849 *Ibid.*

850 *Cold Storage and Produce Review* (18 January 1923), p. 7.

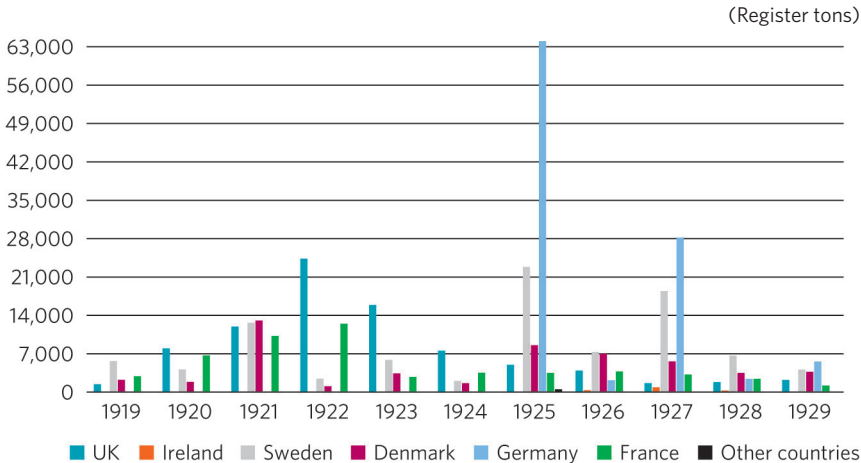
851 *Ibid.*, (15 March 1923), p. 92.

852 *Ibid.*, (15 July 1920), p. 166.

853 *Ibid.*



they offered for sale, the mismatch between supply and demand created a higher value. In 1921, the value of ice per register ton was NOK 7.90, a level that had not been reached since the peak year of 1898.



**Figure 8-1.** Norwegian ice exports distributed by country (1919 to 1930).

Source: Compiled on the basis of the Statistics Norway. Historical statistics of external trade (1919-1930).

In 1925, Germany re-entered the ice market, and this caused both prices and export volumes to increase. Most of Norway's ice exports went to Germany, with Sweden in second place. This was a particularly good year, when Norwegian exporters sold in excess of 100,000 register tons of ice at a value of NOK 5.39 per register ton. However, as illustrated in Figure 8-1, the events of 1925 proved to be the final convulsion of the Norwegian ice industry and these figures were not repeated in the following years, up to and including 1930 which is the last year with official Norwegian export statistics for ice. The higher prices in 1925 also reflected the mild temperatures experienced during the winter of 1924/25 and domestic sales, including to fisheries in western Norway.<sup>854</sup> For the remainder of the 1920s, export levels remained stable, except for 1927 and 1930 when demand from Sweden and Germany rose again and generated higher exports, but this time at a lower value: NOK 2.55 per register ton in 1927 and NOK 4.81 per register ton in 1930.<sup>855</sup>

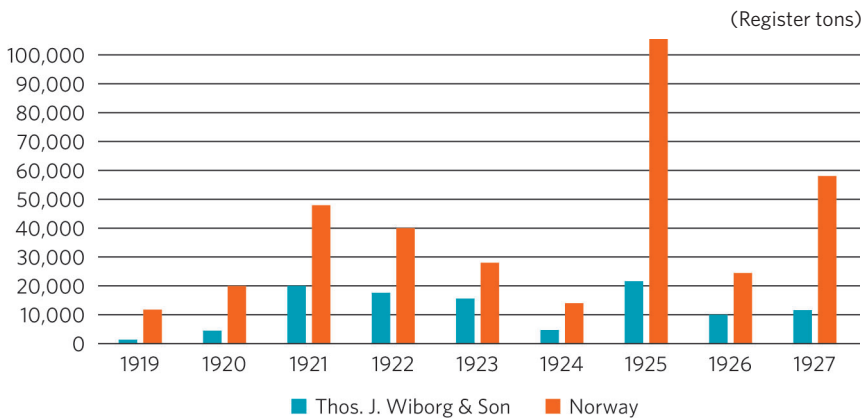
<sup>854</sup> *Cold Storage and Produce Review* (19 February 1925).

<sup>855</sup> Statistics Norway. Historical statistics of external trade (1919-1930).



## Thomas Johannes Wiborg at the helm until the very end

Insight into how Thos. J. Wiborg & Son performed during the 1920s is slightly hampered by incomplete sources. The final year for which we have full data from the Wiborg chartering journals is 1920. However, the journals also include lists of key figures for the years 1921–1927. Together with the Norwegian export statistics, these sources have enabled us to discuss the remainder of the period up until 1927, when the company ceased operations.<sup>856</sup>



**Figure 8-2.** Ice exports by Thos. J. Wiborg & Son and Norway (1919–1927).

Sources: Compiled on the basis of the Thos. J. Wiborg Archive. Chartering journal (1906–1920), including key figures for 1921–1927; Statistics Norway. Historical statistics of external trade (1919–1927).

Thos. J. Wiborg & Son resumed its export of ice to several European countries following the First World War. During the war, the company had shifted its export focus to Scandinavia, and in 1919, both Sweden and Denmark continued to be important export destinations. But the year also saw the first export of an ice cargo to continental Europe, and in 1920, the company's exports to the UK restarted.<sup>857</sup> However, export volumes were 81% below the pre-war level of 1913.<sup>858</sup> The UK was the biggest export market,

<sup>856</sup> Ibid.

<sup>857</sup> Thos. J. Wiborg Archive. Chartering journal (1906–1920).

<sup>858</sup> Based on the Thos. J. Wiborg Archive. Chartering journals (1913, 1920); Statistics Norway. Historical statistics of external trade (1913, 1920).

but relatively large volumes were also sold to Sweden and Denmark, where ice continued to be delivered in multiple journeys with smaller ships.<sup>859</sup> As illustrated in Figure 8-2, Norway's ice exports grew right after the war,<sup>860</sup> as did Thos. J. Wiborg & Son's share, which reached an impressive 42% in 1921 and 44% the year after. National exports declined in 1923, which gave Thos. J. Wiborg & Son a record 56.4% share of all Norwegian ice exports. The company also achieved a record value of NOK 7.9 per register ton that year. The company, but not Norway, had regained its pre-war export levels and was the country's largest ice exporter.<sup>861</sup>

Unfortunately, 1924 turned out to be a dramatically worse year, with Norwegian total exports (14,600 register tons) amounting to less than Thos. J. Wiborg & Son had exported the year before. Fortunes changed again, and 1925 emerged as the economic peak year of the decade, both for Norway and for the company. The main reasons for this were the hot summer and the return of Germany as an importer of Norwegian ice. Swedish demand also increased (see Figure 8-1). Furthermore, Thos. J. Wiborg & Son's ice production enjoyed an excellent and profitable season, and it succeeded in exporting all the ice it had in stock during the summer.<sup>862</sup> The company exported a total of 121 shiploads containing 21% of total Norwegian exports in 1925.

In many ways, the 1925 ice season represented the last of the 'normal' years of operation for Thos. J. Wiborg & Son. Although 1927 was to be a good year, largely due to Germany's activities in the market, the company had now entered what in practice was its liquidation phase. From October 1925, the problems really started mounting up, not only for the company, but also for its 79-year-old general manager, T. J. Wiborg, and his partner, his son Tom. We have described in some detail the cessation

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859 Thos. J. Wiborg Archive. Chartering journal (1906–1920).

860 They were, at about 48,000 reg. tons in 1921, more than double the volume exported in 1920 and four times as much as in 1919. Norwegian ice exports were, however, considerably less than pre-war levels. Export volumes in 1921 were only 29.5% of the level in 1880, which was the year in the period from 1880 to 1914 when Norwegian ice exports were at their lowest. However, the value per registered ton of exported ice was more than twice that in 1880. Although there were some good years during the 1920s, Norwegian ice exports never returned to their pre-war levels.

861 Worm-Müller (1935), p. 691.

862 Thos. J. Wiborg Archive. Copy book marked Østenstad Elvik (1922–1928), p. 30. Letter to Nils Elvik, 17 October 1925.

of the company's shipping activities (p. 175), and now the end had come for their ice business. The year 1925 heralded the demise of the company's ice exports. In a letter to the foreman at the Elvik ice facility, Nils Elvik, in the late autumn of 1925, Wiborg describes the state of the market as poor, with prices at rock bottom. He was sure that the company would lose money on ice exports in the coming winter, concluding that it was not necessary to cut more ice until the spring of 1926.<sup>863</sup> Between 1925 and 1926, the value of Norwegian ice fell from NOK 5.39 to NOK 2.10 per ton. Wiborg's pessimism is certainly understandable, particularly so in the light of his problems in the shipping sector, which to him appeared terminal.<sup>864</sup>

But much worse was to come. The banks were under pressure. Several Norwegian banks encountered problems in the wake of the Norwegian economic policies adopted during the 1920s. One of them was Wiborg's bank, the Central Bank of Norway, which at the time was also the country's largest investment bank.<sup>865</sup>

In October 1925, it terminated Wiborg's overdraft facility, no doubt because the bank itself, which went bankrupt in 1928, was seeking to reduce risk.<sup>866</sup> However, in a letter written by Wiborg to the Central Bank of Norway, it is stated that the termination was triggered by a debt incurred by his son as part of the company's overdraft.<sup>867</sup> In the following year, T. J. Wiborg turned 81 and by this time, his mobility was so impaired that his wife Louise had to assist him in getting to and from the office.<sup>868</sup> He continued to run the company on his own, because his son Tom had been ill for some time and was not expected to return to work soon.<sup>869</sup> Sadly, on 9 June 1926, Tom Wiborg died by suicide.<sup>870</sup> In a letter

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863 Ibid.

864 Ibid.

865 Hodne (1981), p. 485.

866 Ibid.

867 Thos. J. Wiborg Archive. Copy book marked Østenstad Elvik (1922–1928), p. 32. Letter to the Central Bank of Norway, 23 October 1925. Debt that Thomas Johannes Wiborg's son Tom owed to the bank.

868 Ibid., p. 64. Letter to a lawyer called Wiese, 11 March 1926.

869 Ibid.

870 Ibid., p. 92. Letter to Ivar Fallenius, 10 June 1926, p. 96. Letters to Realf Sørensen and Axel Wiborg, both 15 June 1926.

to his son-in-law Ivar Fallenius on 10 June, T. J. Wiborg explained that Tom had passed away the night before: *'at 11' ... he died, my dear boy, the only one I had*'.<sup>871</sup> Wiborg wrote about Tom's death in letters to family and close friends, explaining that Tom had been depressed because of his debts, *'It was his big loss in business he couldn't get over*'.<sup>872</sup>

The following year, 1927, the company Thos. J. Wiborg & Son was still operating. There was an upturn in the market due to increased Swedish and German demand, and the company exported 99 shiploads of ice, accounting for 21% of Norway's total ice exports. This brought the activities of one of Norway's largest ice exporters to a close. Two years later, on New Year's Eve 1929, ice exporter and shipowner Thomas Johannes Wiborg passed away, at the age of 84. One of Norway's leading ice exporters, with almost 60 years in the business, was gone.

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The final period of the Wiborg operations, from the end of the First World War until the demise of the company in 1927, was heavily marked by decline and crises. The war was followed by an economic boom which led to rapidly rising freight rates in shipping. In the autumn of 1920, however, the shipping market went into decline, and the rest of the 1920s was deeply problematic for the sector. For the tramp trade, which was the business of Thos. J. Wiborg & Son, conditions fluctuated between bad and worse, and the company was unable to make enough money. On the other hand, the market for ice exports revived during the post-war years with hot summers, and Thos. J. Wiborg & Son was able to benefit from strong demand and high prices. The company became Norway's largest exporter of ice. From 1925, however, problems began to arise. In a difficult economic climate, the bank terminated the company's overdraft facility, and the following year, sadly, T. J. Wiborg's son and partner Tom died by suicide. The company now entered a liquidation phase, and all operations were terminated in 1927. Two years later, on New Year's Eve 1929, Thomas Johannes Wiborg passed away.

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871 Ibid. Letter to Ivar Fallenius, 10 June 1926. 'Kl 11. døde han, min kjære gut, den eneste jeg hadde'.

872 Ibid., p. 96. Letter to Realf Sørensen, 15 June 1926. 'Det var hans store tap i forretninger han ikke kunne komme over'.