

No. 2

WHALING IN PACIFIC WATERS



ORGANIZATION, PURPOSES
AND PROSPECTS *of the*

CALIFORNIA SEA PRODUCTS COMPANY



General Offices:
616 INSURANCE EXCHANGE
SAN FRANCISCO

FOREWORD

The purpose of this pamphlet is to give the reader general, not detailed, information concerning the CALIFORNIA SEA PRODUCTS COMPANY and the enterprise to which it is committed, and it will have served its purpose if it stimulates the investigation courted. All readers are assured of the company's desire to fully acquaint interested inquirers with its condition, objects, policies and prospects.

CALIFORNIA SEA PRODUCTS COMPANY

DIRECTORS AND OFFICERS

C. N. BEAL, *President*
President Sunset Railway Company

CAPT. F. K. DEDRICK, *Vice-President*
Ex-shipmaster, sailing Pacific waters for more than twenty years
Expert in Whale Fishing.

KIRKHAM WRIGHT, *Vice-President and Treasurer*
Director West Coast-San Francisco Life Insurance Company.

RAY C. BEAL, *Secretary*
C. N. Beal & Co., San Francisco.

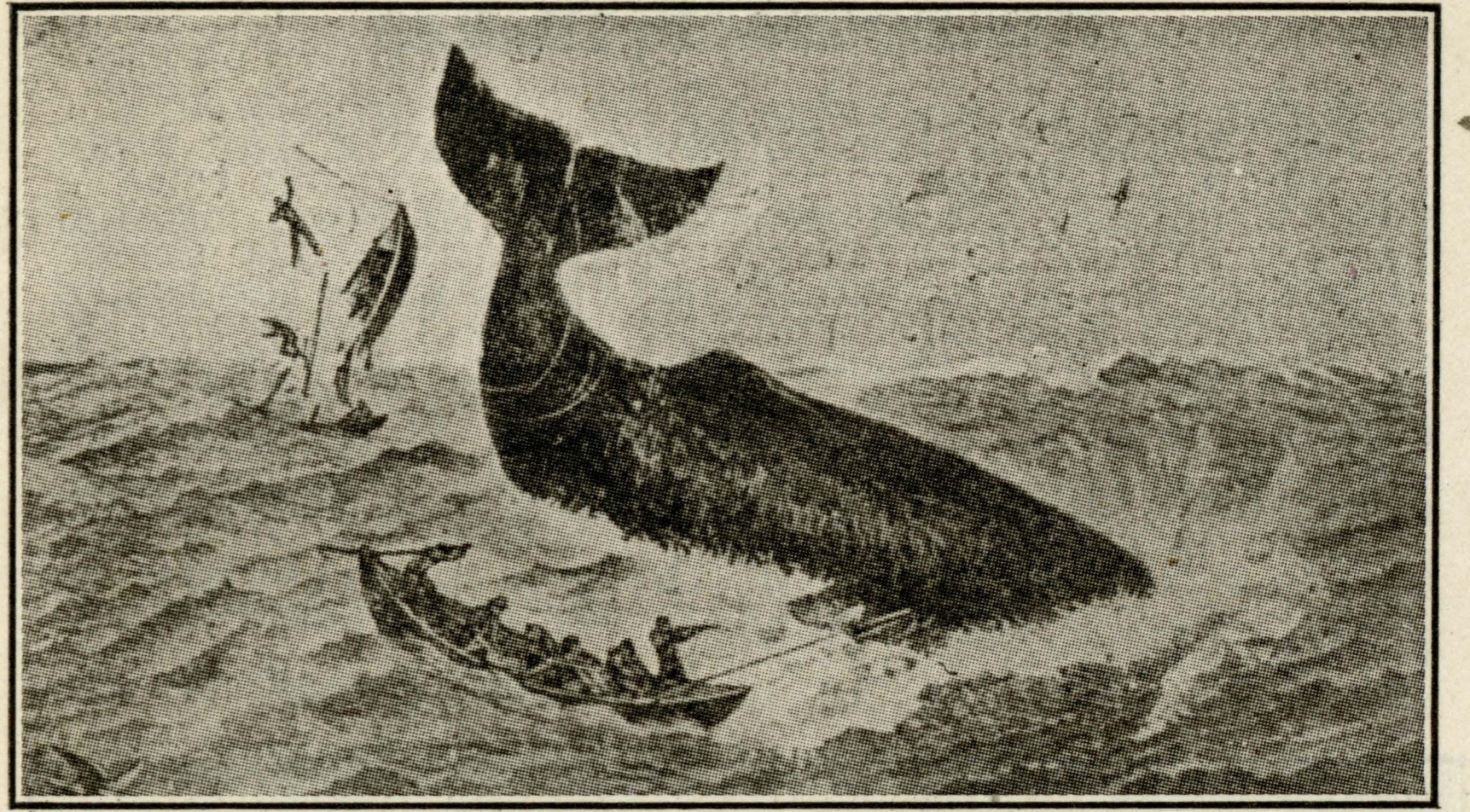
L. S. SHERMAN
President Sherman, Clay & Co., San Francisco, Oakland,
Los Angeles, Portland, etc.

CAPT. EINAR HILLE
Shipmaster, commanding Norwegian ship "Davanger"

HENRY WOLKING
Commission Merchant, San Francisco.

EDWARD J. PRINGLE
Lawyer and Capitalist, San Francisco

GEORGE T. RUDDOCK
Mining Engineer, San Francisco.



ANTIQUATED METHOD OF CATCHING WHALES

California Sea Products Company



THE CORPORATION

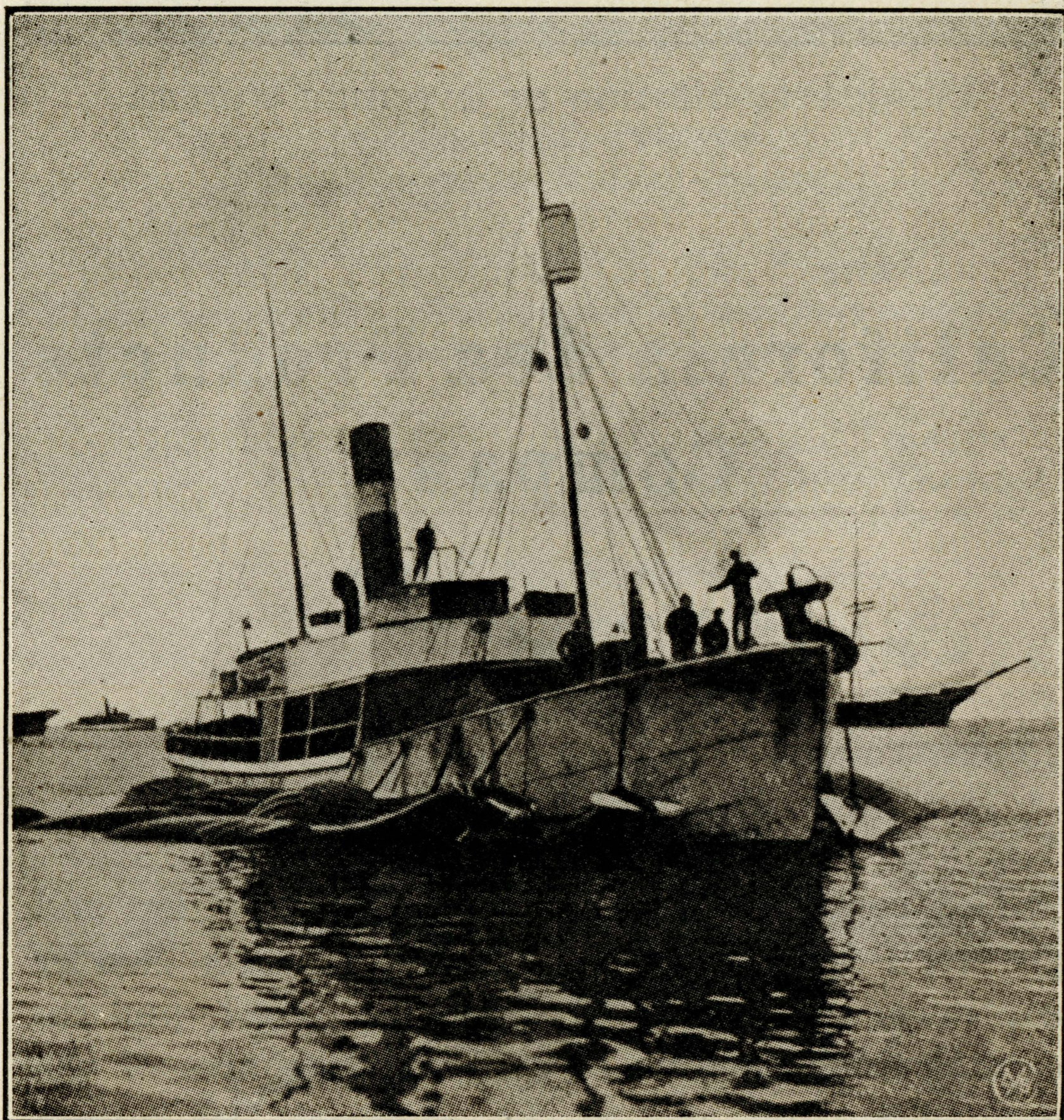
The company is duly incorporated under and governed by the laws of California. Its charter continues in force until December, 1964, and its capital stock consists of one million shares of the par value of one dollar each, of which 599,989 are participating preferred shares and 400,011 are common shares.

THE PREFERRED SHARES

These shares entitle their holder to non-cumulative dividends, payable from the divisible annual net earnings of the corporation as ascertained, fixed and declared by its directors, at the rate of eight per cent per annum. Also to pro rata participation with the common shares in any excess divisible earnings. And, upon the final winding up of the company's affairs, the outstanding preferred shares must be redeemed at their par value before the common shares are admitted to participation in its assets.

THE COMMON SHARES

The holders of the common shares of the company's capital stock are entitled to such annual dividends payable from its net earnings as the board of directors may declare and when the company's charter expires, or for any reason it discontinues operations, they are entitled to pro rata distribution of its assets in excess of the amount required to redeem the preferred shares.



MODERN WHALER TOWING "CATCH" TO STATION

PURPOSES OF THE COMPANY

The primary and principal object of the **California Sea Products Company** is the establishment and prosecution of a modern whaling industry on the California coast, that is, catching whales in the adjacent waters of the Pacific Ocean and treating the carcasses in modern plants, "stations," erected at various points of vantage on the coast line. The presence of an abundant supply of whales in the waters to be fished; the processes involved in their capture, and in converting them into staple commercial products and the profits derivable from these operations will be referred to later.

POLICY

The management of the corporation is committed to that policy in the conduct of its affairs which involves the minimum of capital and risk in leading up to the proof of the practicability and profit earning powers of the enterprise. To that end, it will apply its first capital in the erection of Station No. 1 on the shores of Monterey Bay and instead of purchasing steam whalers, will employ such vessels under charter pending purchase of them from increased capitalization.

Station No. 1 having been installed and operated for a time, and it having been demonstrated thereby that additional capital, other stations, and more elaborate equipments can be profitably employed, it will be in order either to make desirable extensions from surplus profits, or otherwise to increase its operating capital. These are questions that cannot be fully answered at the outset, but the directorate is fully committed to the conservative policy of avoiding any undertaking for which the corporation is not amply capitalized.

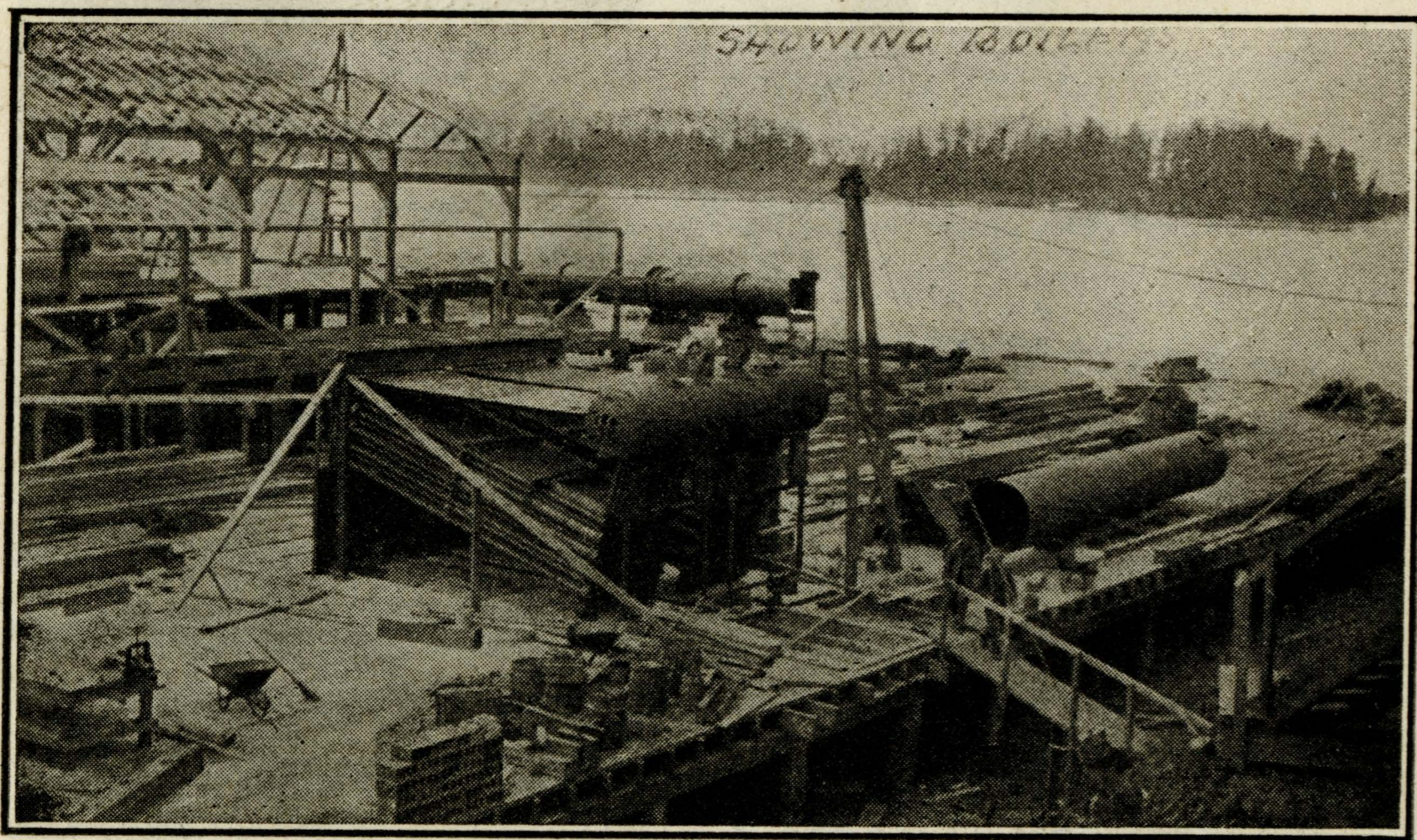


BOW OF MODERN WHALER, SHOWING HARPOON GUN

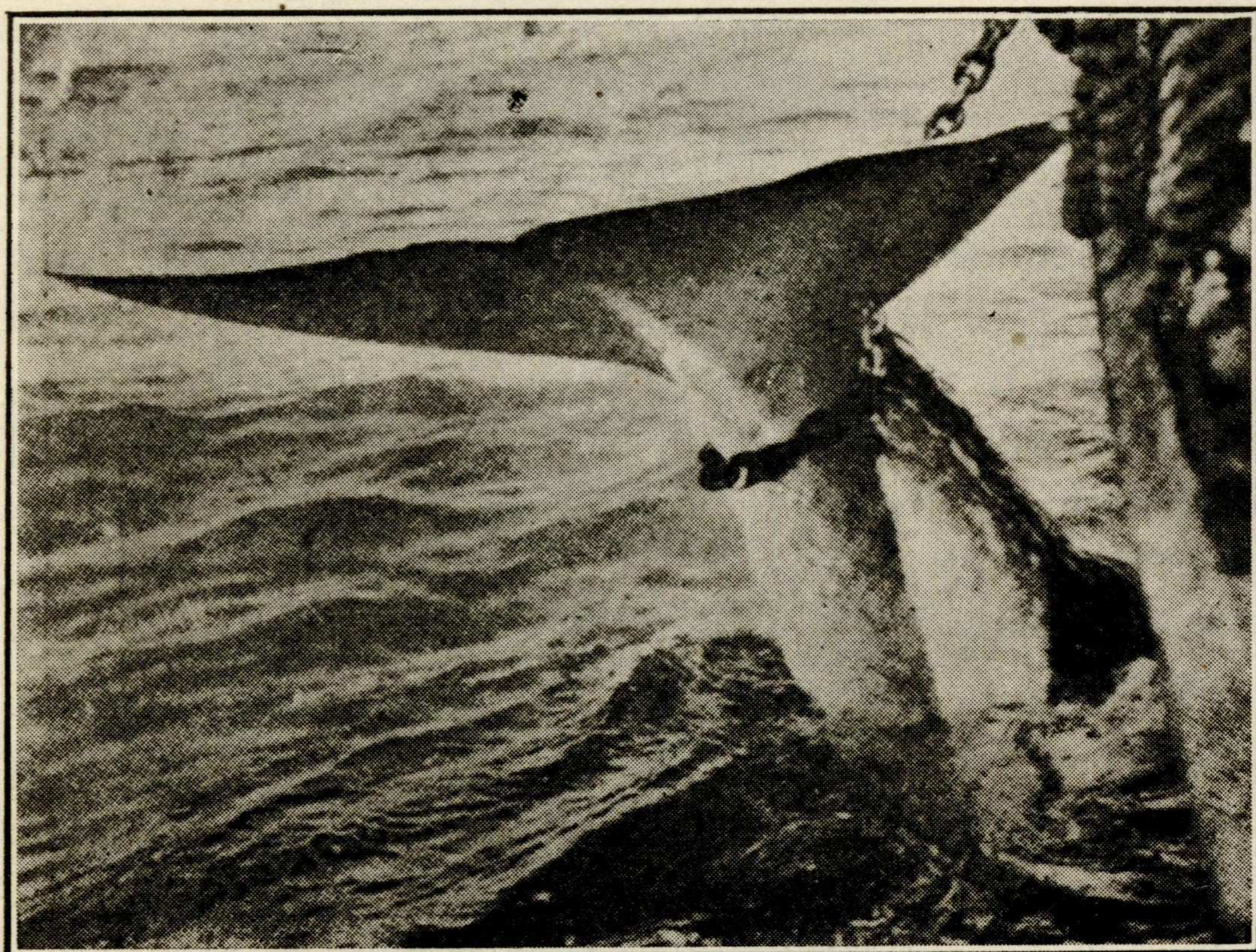
SUPPLY OF WHALES

Whales of nearly all species are to be found in the California-Pacific waters in great abundance throughout the entire year. That this is true is attested by about four years' careful observations made in the interests of the California Sea Products Company and by a large number of independent observers whose written testimony has been collected and will be cheerfully laid before any interested inquirer. The facts thus proven are primarily due to the migratory habits of the animals which, seeking food and waters of agreeable temperatures, journey north during the spring and early summer months; and south during the late summer and autumn, causing them to pass along the California coast twice each year with the result of an unending procession; also it is due to the fact that the California coast waters abound with the whale's favorite fish and vegetable foods.

The whales living in and migrating through California-Pacific waters include almost all known varieties, these, stated in the order of their numerical importance, are the humpbacks, the finbacks, the sulphur bottoms, the sperm, California Greys, and other varieties. These, varying with age and varieties, range in dimensions from thirty-five to one hundred feet in length and in weight from thirty-five tons to one hundred tons, the rule of thumb being, "a ton in weight to a foot in length." The average length of whales in California waters is about fifty feet and the average weight about fifty tons, an average whale weighing about as much as sixty or seventy fat steers, ready for the slaughter.



A MODERN WHALING STATION, UNDER CONSTRUCTION



A CATCH, TRICED UP TO BE INFLATED

THE PRODUCT

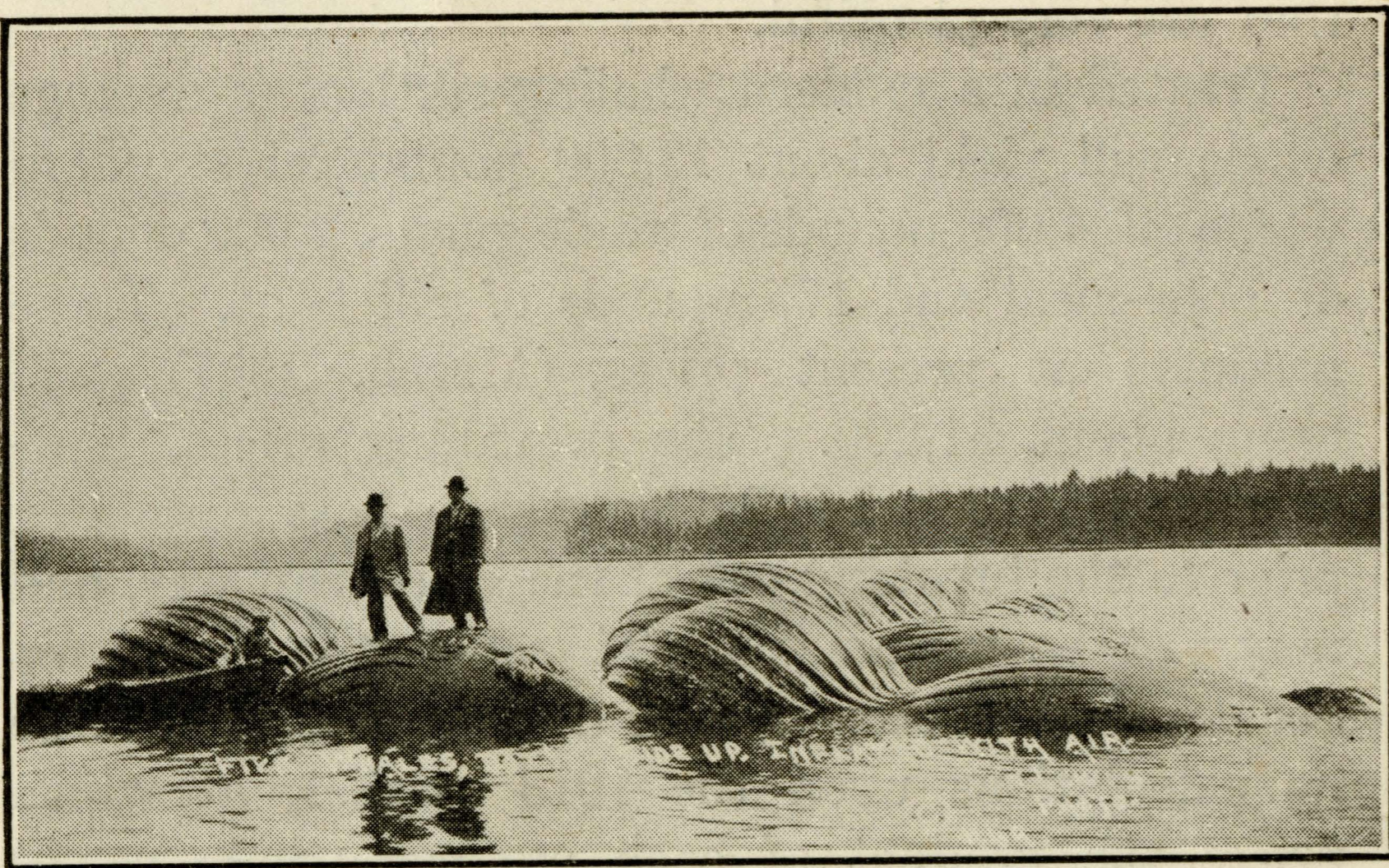
In former years only the sperm, right and bow-head whales were captured; the work was expensively performed in mid-ocean, the best blubber stripped from a floating carcass, the whalebone extracted and the carcasses turned adrift, a very small percentage being saved. Today the entire carcass is brought in to the station and every part of it put through economical processes, for conversion into commodities that are staple in all the markets of the world. Under the old whaling methods, the humpback, finback and sulphur bottom whales, by far the most numerous of all, were ignored as valueless; under the new methods these constitute the main reliance of the industry, and, as stated, they are very plentiful.

Treated in a modern whaling station an average whale will yield about 13,000 pounds of standard whale oil, 4,000 pounds of whale guano, 2,000 pounds of bone-meal and 175 pounds of gill bone. These products at present prices, (March, 1917), will bring about \$1,200. The prevailing prices, however, are very much higher than those obtaining prior to the breaking out of the European war, and may not be permanent. Therefore the California Sea Products Company has deemed it best to base its calculations upon the 1913 market, at which prices the product of each average whale would bring more than \$800 to the company's treasury.

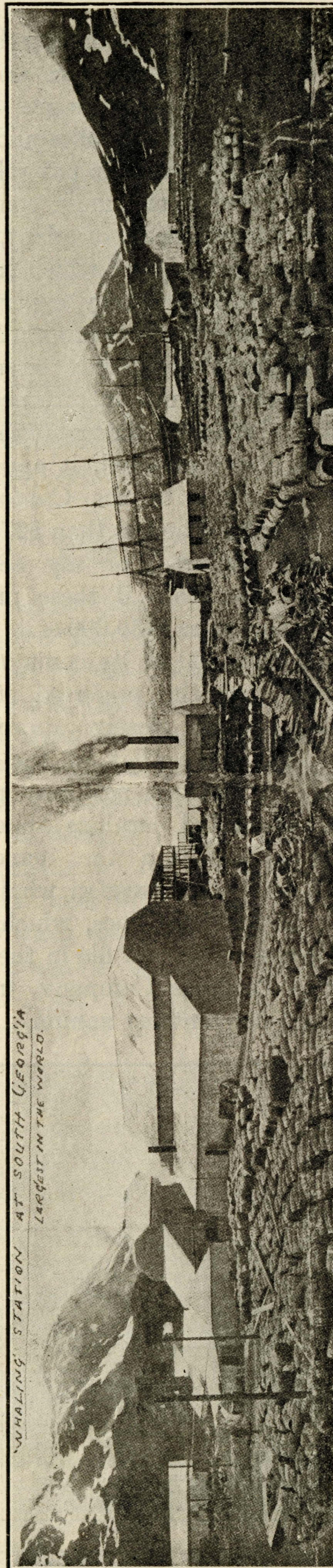
THE PROFITS

As in merchandizing or any commercial business, the profits of the California Sea Products Company are dependent upon the volume of business it commands and the expenses connected with its transaction. In the year 1915 a whaling station on Grays Harbor, 600 miles north of San Francisco, captured 340 whales, upon each of which it made an average net profit of about \$380. Another station on Magdalena Bay, 1,000 miles to the south, captured over 575 whales, and made a handsome profit, but how much per whale is not known. The usual cold and stormy weather off Grays Harbor during considerable parts of the year, limited the station's operations to an active season of four and one-half months, and the opposite reason, the high temperature of the waters off Magdalena Bay, in which the whales will not remain during the hot months, limited its operations to a similar season. The stations of the California Sea Products Company will all be so located between these extremes that it is not reasonable to expect any climatic interference with its operations during any portion of the year.

For the purpose of estimating gross receipts and resulting profits, it has been deemed best to waive the advantages of location and to assume a year's catch about fifteen per cent lower than that of the Grays Harbor station, during its four and one-half months' season, or, in other words, to estimate upon a catch of three hundred whales during a year's operations.



INFLATED WHALES, IN FRONT OF STATION



WHALING STATION AT SOUTH GEORGIA
LARGEST IN THE WORLD.

NORWEGIAN WHALING STATION ON ISLAND OF SOUTH GEORGIA, THE LARGEST IN THE WORLD

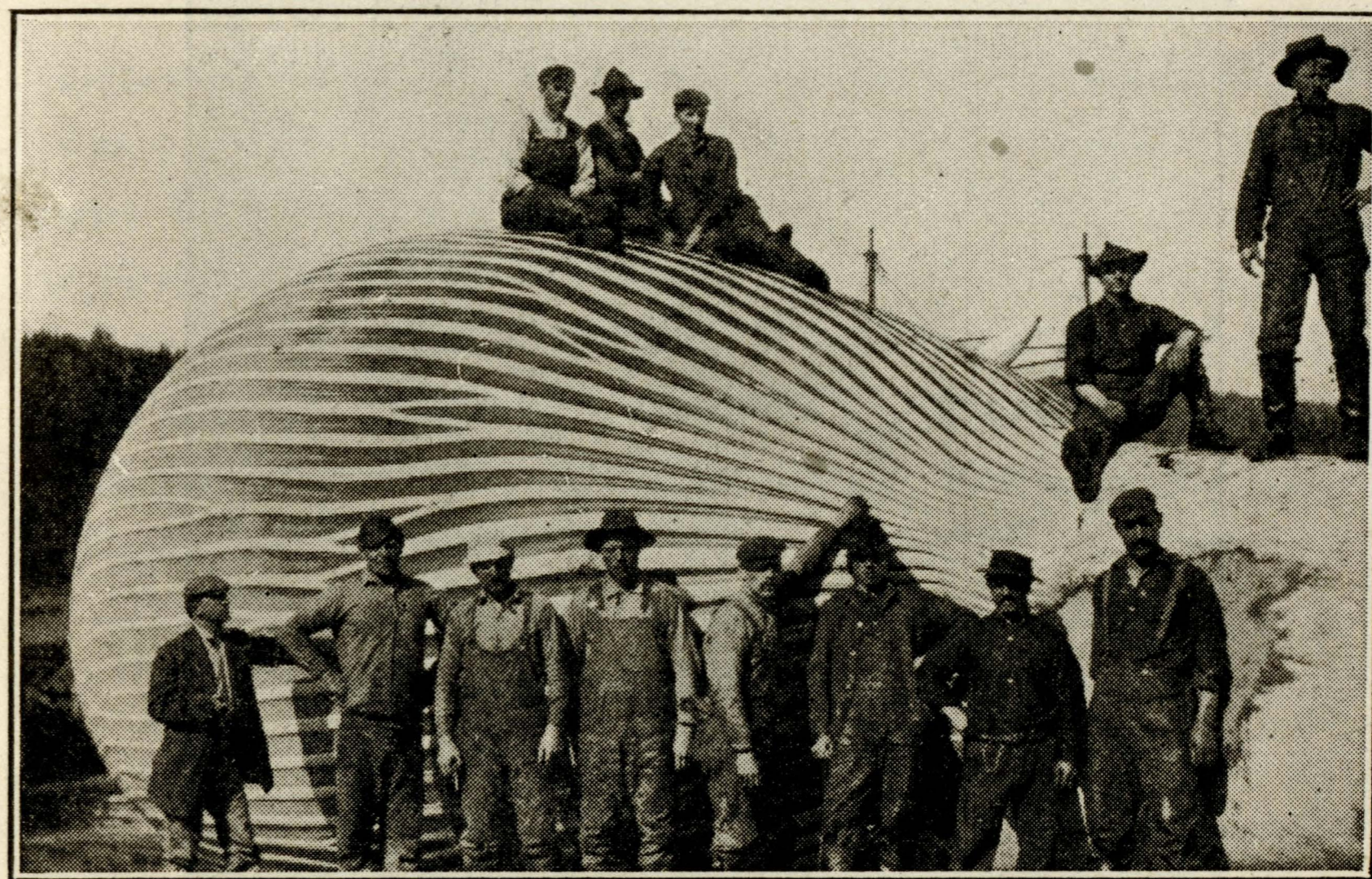
During an operating season of less than five months the output of this station was 41,000 barrels of whale oil and 21,500 sacks of guano. The value of this product at 1917 market prices is over \$1,235,000.

The expenses connected with operating the station are made up of charter fees, insurance and upkeep of vessels used in whale fishing, wages and provisions of crews, fuel, vessels, supplies and bonuses to captains and crews. Also station pay rolls, superintendence, management, mess house costs, taxes, insurance, repairs, depreciation of plant, bonuses to station operatives, etc., all of which have been most painstakingly worked out by experts in the business and thereafter a large appropriation made to guard against the unforeseen, with the result that it appears certain that under no circumstances can the operating expenses exceed sixty per cent of the income.

Upon the bases above outlined, it appears that the net profits to accrue to the California Sea Products Company cannot be less than \$275 to \$300 per average whale captured, or say \$80,000 to \$90,000 per year. Also that if these profits are achieved with not more than \$150,000 of its preferred capital stock, and \$250,000 of its common capital stock outstanding, that the preferred stock will have an earning power closely approximating twenty-six per cent, while that of the common stock will be about eighteen per cent per year. Large as the above stated earnings appear, they are nevertheless well within the demonstrated earning power of several Norwegian whaling companies operating on identical lines, which, according to stock exchange reports on file in the office of the California Sea Products Company, frequently exceed one hundred per cent per annum.



A BIG "CATCH" AND HIS LITTLE CAPTORS

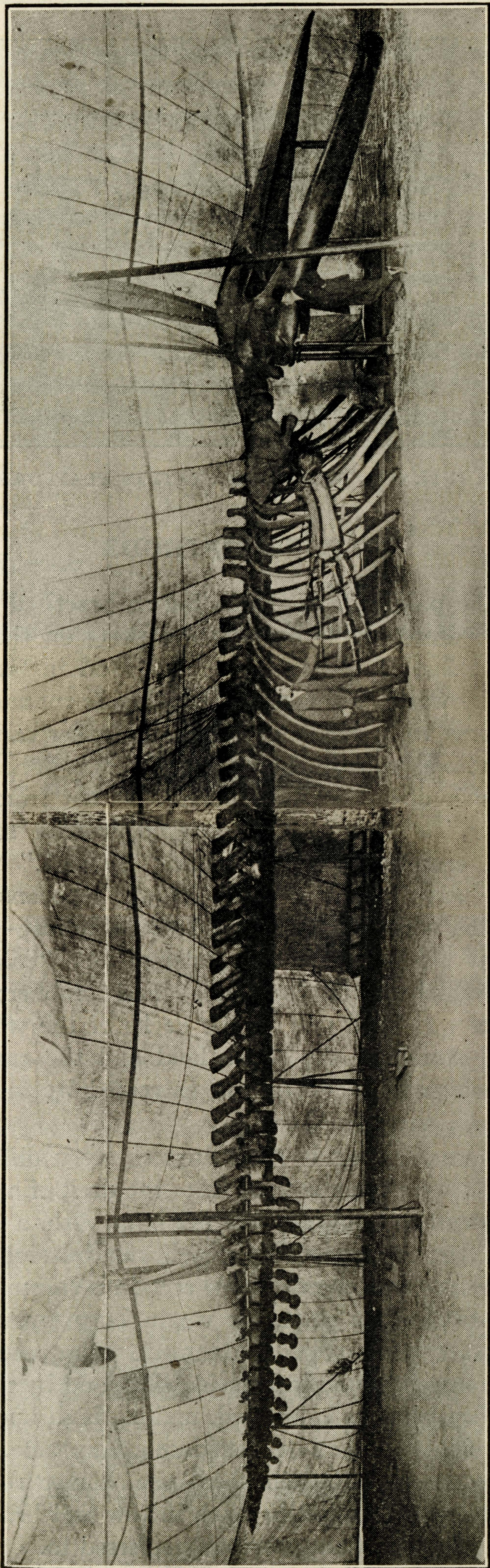


AN INFLATED WHALE ON STATION PLATFORM

WHALING METHODS

In the palmy days of whaling as practised from New Bedford and other whaling ports on the Atlantic Coast of the United States, and in fact all over the world, the hunting, which was confined to the sperm, right whale, and bowhead, (other varieties now quite as valuable being ignored), was done with a number of small whale boats sent out from the "whaler," a staunch, square-rigged, wooden sailing vessel, cruising in the "whaling grounds." The killing was done with hand-thrown harpoons and the catch when made—it was frequently lost—was brought alongside the ship, stripped of "baleen," (the whalebone of commerce) and blubber; the blubber was tried out on the decks of the whaler, the oil stored in the ship's hold and the carcass, from which large values are extracted by modern processes, was turned adrift.

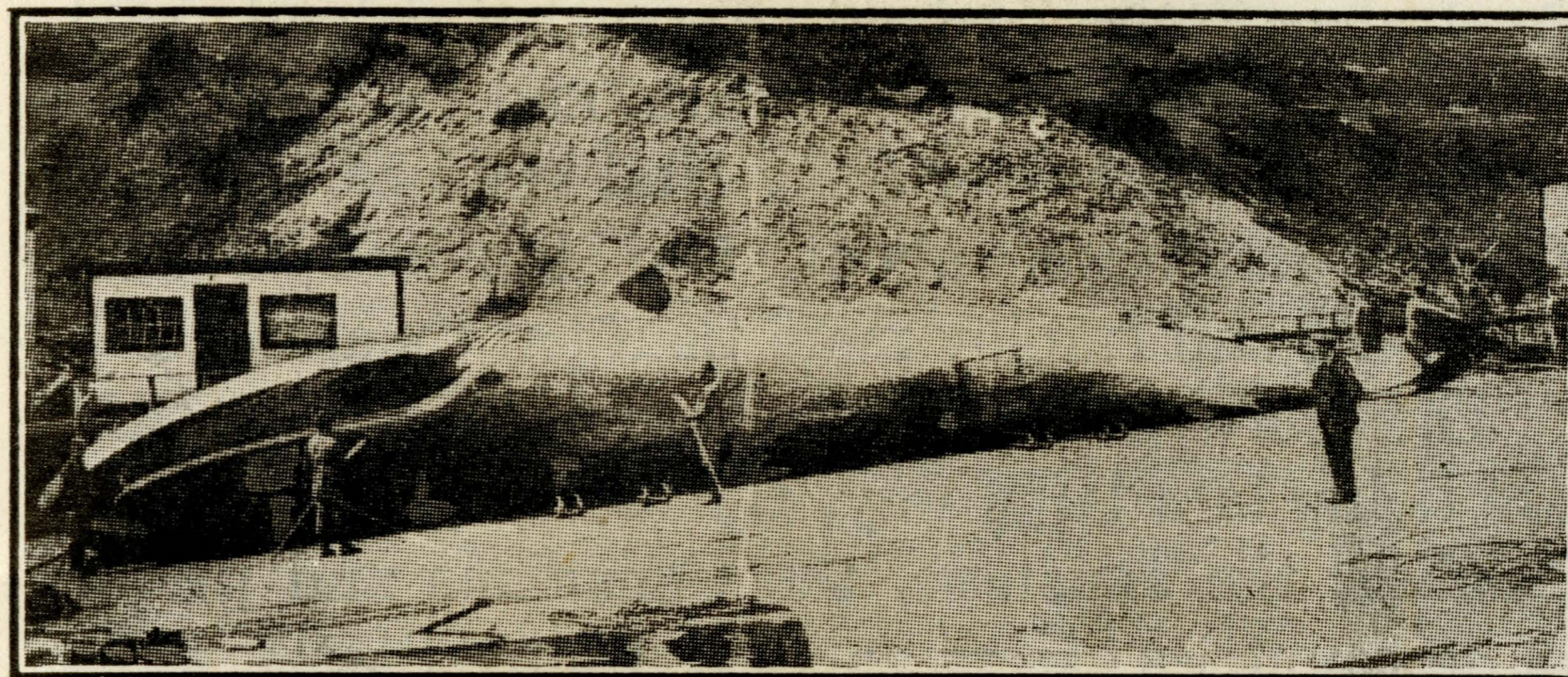
Modern whaling is conducted on very different lines. The hunting is done from the deck of a swift steel steamer equipped on its bow with a large swivel harpoon gun, from which an explosive harpoon is fired into the whale; so certain is this method of pursuit and catch that a whale, once sighted, is practically captured. The capture being effected, the carcass is brought alongside ship, and by means of air compressors is inflated, making it so buoyant that it floats and can be picked up at any time. The hunting cruise being finished, the whaler returns over its course, takes its catch in tow and brings it into the land station, previously referred to.



SKELETON OF A "SULPHUR BOTTOM" WHALE

On arrival of the tow at the station, power machinery is employed to haul the whales up an inclined plane to a platform where the carcasses are separated into blubber, baleen, meat, blood and bone, the various parts passed to their appropriate departments in the station, there to be quickly converted into the various grades of whale oil, fertilizers, or "whale guano," bone-meal, and other standard merchantable commodities.

The details of the various fishing and station processes and the methods of handling and marketing the finished products, which are extremely interesting, cannot be properly described without unduly extending this brief review of the California Sea Products Company, and its purposes, but will be explained fully by the company's experts to any reader sufficiently interested to inquire.



A 70-TON WHALE ON SLIP

WHAT OTHERS HAVE DONE

From 1868 to 1906 the Norwegians carried on the whaling industry in a desultory way, their operations being confined to the coasts of Norway and nearby waters; in 1906 they began using improved equipment and going after the business on a larger scale. From 1906 until 1912, inclusive, the invested capital grew from \$1,000,000 to \$10,000,000, since which time it has steadily increased, about \$40,000,000 of Norwegian money being now invested in whaling and kindred industries.

The Norwegians are now operating in nearly all parts of the world; and are paying heavy annual license fees and taxes to many foreign governments. They now own or control more than seventy different whaling companies operating in Spitzbergen,



SUNSET PUBLISHING HOUSE
SAN FRANCISCO

Claassen, Lynda

From: Claassen, Lynda
Sent: Friday, August 7, 2020 3:36 PM
To: Camacho Cabrera, Miriam
Cc: Robles-Fradet, Philippe
Subject: FW: California Whaling Invoice
Attachments: UCSD#1196.pdf

Hi,...I just paid this with the credit card. Please charge to Hill Royalties. Thanks! Lynda

From: Jennifer Johnson <jen@johnsonrarebooks.com>
Sent: Thursday, August 6, 2020 12:39 PM
To: Claassen, Lynda <lclaassen@ucsd.edu>
Subject: California Whaling Invoice

Lynda:

Attached is the invoice for the California Whaling brochure.

Thank you, as always, for your support!

Jen

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