C & C Yachts: Careers

His last name was Cuthbertson, possibly some distant clan but no direct family relation to Alexander Cuthbert, but in many ways he became a descendant in spirit. He was born in Brantford in 1929, the son of a carpet factory executive. His father died in 1943, and the family moved to Toronto, occupying a rental property they owned at 4 Olympus Ave. He had no sailing background, the only water in Brantford is the Grand River, which is about a forefinger deep in most places, fun for kayaking but not much else. 4 Olympus is at the northeast edge of High Park, a short half mile hike down to Sunnyside Beach, busy with all kinds of beachgoers and sailboats. He took a summer job at J. J. Taylor in 1943, working on the military boats, which lasted exactly one day before his mother redirected him into doing gardening. The gardening career did not catch, and still obsessed with sailing, at sixteen he wrote to the L. Francis Herreshoff firm and asked them for advice "for as long as I can remember I wanted to be a yacht designer." Herreshoff wrote back and recommended he start work in a boat shop to learn the trade hands-on, however, his mother, I suspect, made his direction clear, get a real education (university) first, then you can select a career (other than that of tradesman, which was considered a step down at the time, they made half or less of what a professional made, also they use *those* words). George's mother was still well off enough to fund his engineering studies at the University of Toronto, as well as a membership in the Royal Canadian Yacht Club, who seemed to have gotten over their last run-in with a similarly named sailing prodigy. After graduation he had a short internship with SKF Canada but left after a year to go into the specialty plastics fabrication business. He rented shop space at 214 Front Street East and went into partnership with another R.C.Y.C. member named Peter Davidson.

Fiberglass, as noted was already a known boat building product, Carl Beetle was one of the first, in 1946 and pictures of him taking shots at a Beetle Cat Hull with a .38 police revolver had already appeared in Life magazine. The first fiberglass boat in Canada was built in 1948 at Davidson Manufacturing in Vancouver, BC (no relation to Cuthbertson's partner). An employee named Chuck Hourston first built a wood laminate catboat and then, aware of Beetle's experiments, ordered the fiberglass sheet and plastic resin mix from Owens Corning and made a dingy out of fiberglass (probably using the wood laminate hull as a base to make the mold. Apparently Davidson's wasn't interested in this product, so Hourston left and set up his own shop as Hourston Glascraft, to mass produce the little 8-foot fiberglass sailing dinghies. It wasn't pretty and was sold as it came out of the mold, as gelcoat was not available the material was rough and unpainted and was translucent, which must have given the sailor the odd visual effect of sailing without a boat. But the boats sold, and Hourston had proved that there was a

market for boats, at least small boats made out of this wonder material. Fiberglass didn't leak (or appear to) didn't have to swell up after a spring launch, it could be carried on top of a car, it was way lighter than wood (although not so light as aluminum, and it seemed likely aluminum would eventually come out ahead in the small boat race, which it ultimately did, although never as a sailboat material, for some reason. Still Hourston's success meant Cuthbertson could do the same thing in Toronto. Dean was gone and Aykroyd was a tiny afterthought in the J. J. Taylor product line, but the small sailboat market was still there.

In 1951 Cuthbertson and Peter Davidson set up Cuthbertson & Associates which initially offered vague services in plastic products and applications; the plan to design yachts was in the pipeline, but this was a startup in an office at 214 Front Street, both were seasoned sailors, but neither had any experience in design or in boatbuilding. Like Hourston, it would be best to start small and build up from there, so the first design, like Beetle and Hourston, was a little 8-foot catboat which was to be called the Water Rat. A second company called Canadian Northern Co. was set up to handle the manufacturing end. They must have quickly realized how nasty fiberglass boatbuilding was; glass hairs would come loose and embed in your skin, the resin was disgustingly sticky and had a lingering chemical odor, the cost in gloves alone would be huge and you would literally to wear a gasmask to avoid passing out from the fumes. One of the few ads for Canadian Northern mentions a location in Port Credit so I suspect they had to relocate the boatbuilding work out of the cramped Front Street office location to one more amenable to industrial manufacturing. The first Water Rat was completed in 1953, 79 more would be built over the next two years, about one a week. There were customers, but with all small, low-price consumer products, you have to turn out huge numbers because small products mean small margins and they would need a big factory with hundreds of staff to make it pay (spoiler alert, this is what Tanzer Boats did with the Lazer racing catboat a few decades later). Cuthbertson & Associates offered yacht design services, but other than the Water Rat they had no reputation or brand to speak of.

The best way to cure this problem was with a PR stunt, and the perfect opportunity came up in the form of an international racing challenge. After having been banned from competing in the America's Cup, the Great Lake yacht clubs set up their own cup and prize in 1896, this time known as the Canada's Cup. The first winner was Canadian, the yacht fittingly called the "Canada", sponsored by the R.C.Y.C. The Cup itself looks like an actual trophy, a silver bowl atop a sculpture of the American eagle and the British lion; there is no sign of a beaver, I guess the lion ate it. The Royals won again in 1901 with Invader, but after that the cup remained firmly in the hands of their perennial rival, the Rochester Yacht Club. The last challenge to date

had been in 1934, which saw another Rochester win with their boat the Conewago. After that the pressure of the Depression and then the shutdown of the war ended any further matches until 1954. Once again the Royal and Rochester would go head-to-head, the Royal Club needed an 8-meter boat. The term 8 meter (12 was used for the America's Cup) is simple formula where the boat's vital stats, representing length, sail area, girth (the hull's waistline, so to speak, the distance around the hull) and the freeboard. We need not go in too deep in the math here, the purpose was standardization, so competitors wouldn't bring super-size freaks (such as the noted 1903 America's Cup winner Reliance) to the show. The boat was built in 1938 at the Britt Brothers yard in Saugus, Massachusetts. It was built as an 8-meter racer from the start, designed by Arthur Shuman, Jr. and purchased by Washington D.C. real estate heiress Nancy Leiter. She won several races with it, and by 1954 had moved on to other interests and sold the boat to Norman Walsh, a member of the Royal. Walsh hired Cuthbertson to make "design alterations" although I don't know what alterations could be made; Cuthbertson mentioned his alteration work was primarily on the rigging. Venture (now Venture II) was already a proven winner and would have raced under the third iteration of the "meter" formula that was put into place in 1933. After viewing the 8mm home movie of the race, it is hard to see any real difference in the two boats; aside from the paint colour, the hulls and sail sizes seemed identical. Each crew seemed capable, unlike the fumbling Atalanta eighty years earlier. The Rochester Club boat Iskareen won the first race, Venture II the next three, there were no breakdowns, no accidents, most of the time the competitors were bow to bow. The Cuthbertson bios mention that he and Davidson were on the Venture, but it needs to be clarified that they were two out of a crew of five. The skipper was David Howard, who would go on to represent Canada in the 1956 Melbourne Olympics. Cuthbertson was involved in the Venture II, but he was not the driving force behind it, and there is no mention of what upgrade gave the boat an edge; it was already the work of an established designer. I suspect his job was to make sure that the boat followed the required 8-meter specifications, that was likely all.

The last Water Rat went out in 1954. By contrast, Hourston Glascraft was successful and produced larger and more profitable boats, it is in business to this day. For the Cutbertson-Davidson partnership the real game was in the brokerage. In 1953 they began to delve into importing steel hulled boats from the Kurt Beister boatyard in Norderney, Germany. Beister and Erich Bruckmann were both Dusseldorf boys who had left for open waters; perhaps this was a recommendation? Norderney is a small fishing village on Norderney Island off the coast near Bremen, therefore it was spared the impact of the invading Allies. Still, Beister was probably glad to get any business, given the utterly wrecked German economy. Beister had expertise in steel hulls, and Cuthbertson and Davidson were interested in exploring new boat materials,

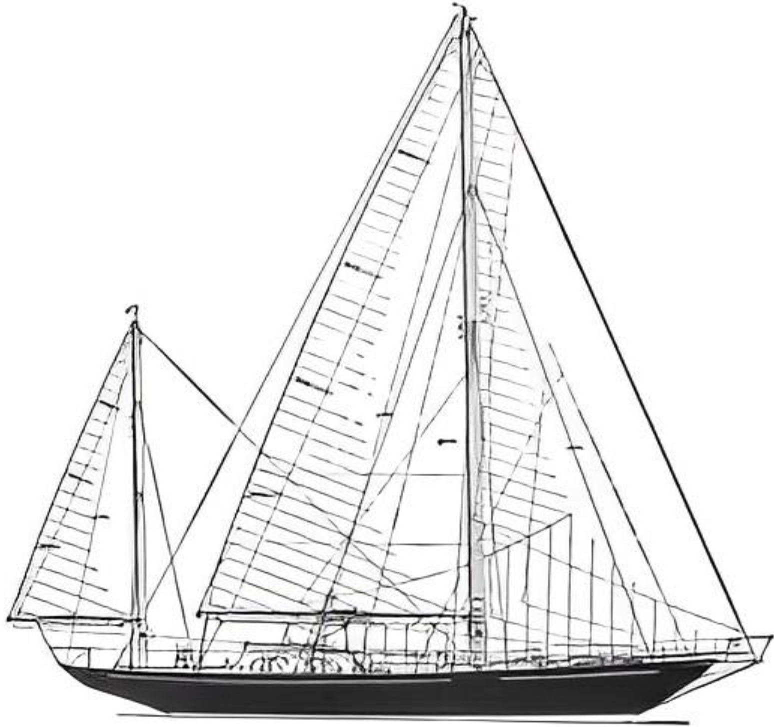
other than high-maintenance wood. Beister, being German, had to do everything in the most laborious and craftsman-like way possible, each steel plate fitted to the hull was shaped in a continuous compound curve, unlike a clever and lower cost approach developed years later by designer Ted Brewer, where only one level of hull plates were shaped, and the rest were flat and straight; that was not Beister's way. But neither the Water Rat nor the brokerage were very lucrative and Davidson called it quits in 1955 and left to go to work for a sailmaker in the United States. Cuthbertson was still living at his mother's house at 4 Olympus, listing himself as an "engineer"; there was no mention of Canadian Northern Co. Still, Cuthbertson never gave up on his dream of becoming a great designer, and finally his connections at the R.C.Y.C. paid off. Norman Walsh, one of the backers of the Venture II project called on Cuthbertson in 1957 to design a new boat, to be called the Inishfree.

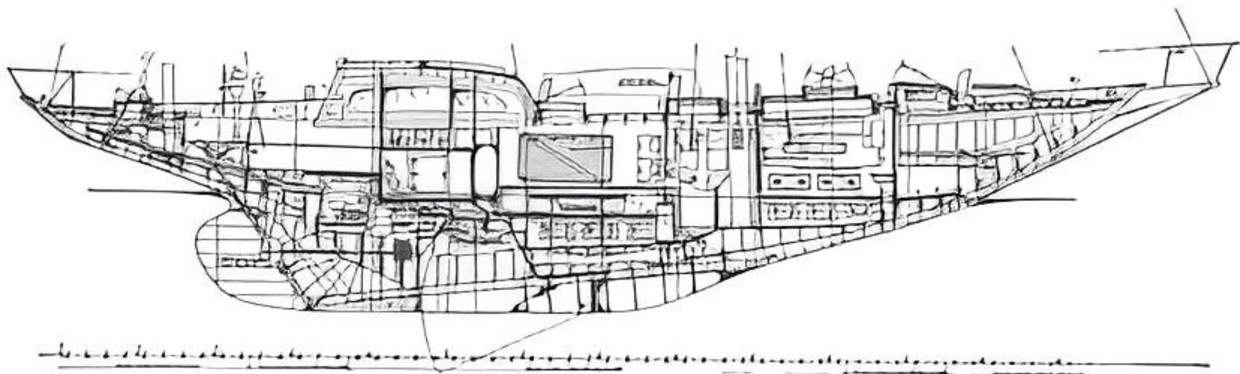
"INISHFREE," A CANADIAN OCEAN RACER

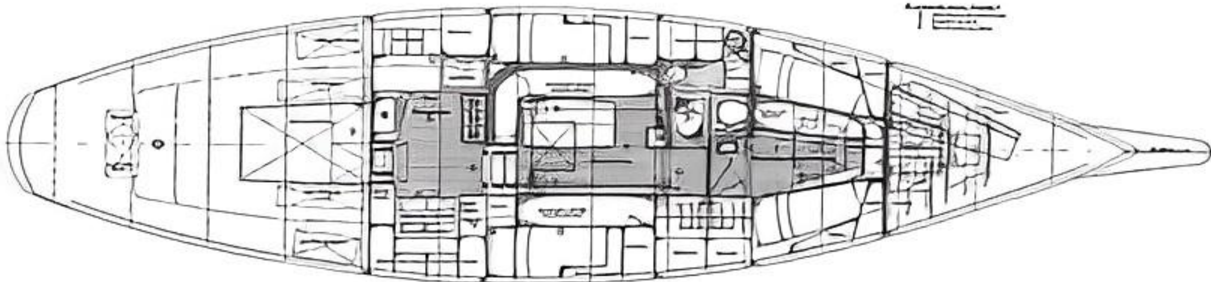
L.o.a. 51'7" L.w.l. 35'0"
Beam 13'7" Draft 5'10"
S.A. 1200 ft.
Power, Standard "[illegible]" 60 hp.
Diesel

NORMAN WALSH, an old hand at yacht racing whose successful challenge for the Canada's Cup in 1954 returned that trophy to the Royal Canadian YC after 52 years in the States, is the owner of this powerful vessel. She was designed by the Canadian Northern Co. and built by the Cliff Richardson Boat Works, Meaford, Ont. She is scheduled for launching in the spring of 1958 and is an expected entry in the Bermuda Race. Her stem, keel and deadwood are mahogany, her frames are laminated white oak and the planking is [illegible]" Honduras mahogany over [illegible]" Philippine. Decks are teak over plywood and trim is mahogany. Fastenings are Everdur and Monel. Her mast is an aluminum extrusion produced by Alcan, fabricated in Toronto. Sails are by Ratsey & Lapthorn, except spinnakers which are by Hard Sails and Kenneth Watts.

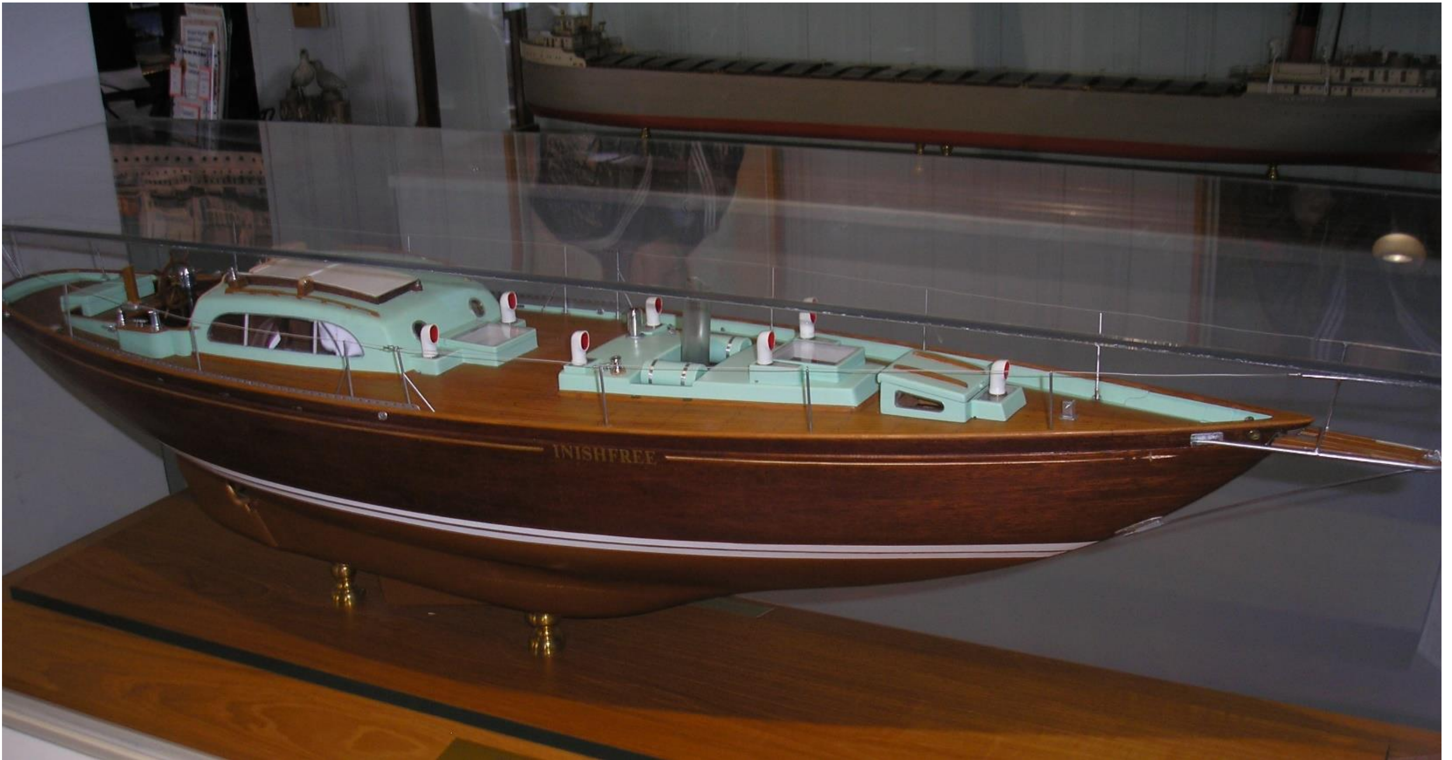
If further particulars are wanted please address Canadian Northern Company, Box 10, Port Credit, Ont., Canada.







Inishfree line plan.


INISHFREE

Inishfree models at Marine Museum of the Great Lakes Author photos

Inishfree was a serious attempt to build (not just adapt, as with Venture II) a world-class racer, the overall length was 53 feet, the waterline a mere 35, which even without pictures should give an idea of the curve of the hull. The hull itself was constructed of mahogany planks over white oak frames with teak decking, although there were some savings to be made by reusing wood spars off Venture II. The main mast was aluminum, which would eventually replace all wood spars and masts in sailboats. The aluminum was lighter and was less prone to sudden breakages, particularly in the high stress of competition. The sail area was 1,296 square feet, impressive, but small in comparison to Atalanta's 5,000 or Countess of Dufferin's insane 20,000 square feet worth of canvas; it shows how much sloop design had advanced to get much more out of much less. Inishfree was built by Cliff Richardson Boat Works in Meaford, on Georgian Bay. Richardson is still very much in business and still owned by the Richardson family. Now they provide an extensive list of repair, maintenance, and storage services, but from 1933 up until the 1960s, they also built boats, mostly cruisers. Inishfree won a pile of races and announced to the world that Canada was truly back in the racing sailboat business, not just in competition but design and construction as well. Venture II is still alive and well, alas, Inishfree was lost in the 1970's, grounding out on the infamous Frying Pan Shoals off the aptly named Cape Fear in North Carolina. The boat began to leak and headed toward the Shoals' well known "Texas Tower" a four-post metal structure with a light beacon on top to warn ships away (there is picture on Wikipedia, along with a lightship). The owner decided to tie up to one of the tower posts to buy time and try to plug the hole, and in doing so hit something even harder. Inishfree was able to ride out the night and in the morning a U. S. Coast Guard chopper lowered down two water pumps and later that day, a cutter arrived and began to tow the boat hopefully into port. The stress of water against the hull made the leak steadily worse, and finally it overcame the pump's capacity and Inishfree sank, joining many other colleagues in what is known as the "Graveyard of the Atlantic.

The Inishfree in better times.

Cuthbertson was afloat, although even after the Inishfree's victory run still just treading water. Design contracts came in to his new Oakville office, but sporadically; the boat brokerage paid the rent. George Cassian, an aircraft engineer and sailing enthusiast stopped by after being laid off from the cancelled Avro Arrow project and asked if there was any work. Cuthbertson brought in Cassian for a two-week trial run, he stayed for a year, then tried his luck in the dog-eat-dog world of Big Three auto design in Detroit and after a year, gave up and returned to Toronto and asked for a buy-in to Cuthbertson Design Inc. Cuthbertson was unsure whether he needed a partner, but he was in debt and definitely needed money; Cassian bought 25% of what became Cuthbertson & Cassian Design Ltd. The abilities separated into Cuthbertson designing the hull to make the boat go fast, and Cassian designing the interior so people could live on it, thus forming the theme for the future C & C Yachts, the racer-cruiser. The firm designed a number of boats, most notably the 31-foot Corvette for Ian Morch of Belleville Marine Yard; it was one of the first big fiberglass yachts, and a bona fit hit with customers, several hundred were built. It's worth pointing out that the romantic era of designer-builders, such as Alexander Cuthbert, was over, these had separated into two distinct careers. Boat designing was a mathematical science, one that required at least a university undergraduate degree in engineering or naval architecture, which was a mix of engineering and design study. The study of water flow was highly complex, and having personally known several engineering grads, second- and third-year Principles of Fluid Dynamics was the Frying Pan Shoals of your studies; it grounded out a lot of prospective careers. Cuthbertson and Cassian were mechanical engineering graduates, as was Ian Morch. Steve Killing's degree was civil engineering. Rob Ball and Rob Mazza had a degree in Naval Architecture. On the other hand, building boats required years of hands-on training in working with wood and other materials; George Hinterhoeller, Erich Bruckmann and Gordon Brimsmead learned as apprentice carpenters. Cuthbertson spent two years slathering resin on the little Water Rat, he stayed out of the shop after that. Even fifty years earlier Fred, Irving and Merrill Gilbert relied on their father Nelson to do the design work. Will Dowsett relied on rule of thumb (and copying Gilbert) to build displacement hulls, but when it came time to build modern hard-chine runabouts Flambeau and Sea Eye he called on Douglas Van Patten to do the hull shape, as did Bert Minett, Herbert Ditchburn on Bert Hawker, Shepherd on Earl Barnes, and Tom Greavette on Van Patten.

Morch's father had been in the prospecting and mining business in the 1930's and his company had found a viable gold deposit in Northern Ontario and worked it until 1939. After that with what money he had made from the gold venture he set up an aircraft component manufacturing company and bought a share in a planned multi-service boatyard. Mr. Morch later sold his

interest in the yard, his two sons John and Ian, the latter after progressive turns as a naval officer in the war, engineering studies and one of the first graduates of a new business degree known as an MBA, bought back into it in 1953. The aircraft business grew and eventually became a key vendor to Avro for the Arrow project. When the Arrow was cancelled, the company, known as Morch Manufacturing, pivoted to boatbuilding, doing the finish work on the Kurt Beister built steel hulls imported by Cuthbertson. The first local build was the North Star in 1964, the Corvette 31 in 1966, of which 171 were built and then the 40-foot Crusader in 1968. By the mid 1960's there was a real community of boatbuilders arising on the Lake Ontario shores.

The Corvette was designed by Cuthbertson and Cassian in 1965. C & C Designs were designing for many of the still-small builders in Ontario, giving Cuthbertson invaluable customers, as well as industry connections.

Ian Morch's Corvette 31, built at his factory in Belleville Designed by Cuthbertson & Cassian Adam Hunt Photo

Erich Bruckmann was born in Germany in 1930 and George Hinterhoeller was born in Austria in 1928, which was absorbed into Germany by Hitler in 1938. Bruckmann's hometown of Dusseldorf is located on the Rhine; even in the 1930's the great river was basically a discharge culvert for industrial waste, a problem that would only get worse after the war, so there was little exposure to pleasure boating. By contrast Hinterhoeller grew up in a resort and tourist town on the Mondsee, one of several mountain lakes in the area and he was already sailing by the age of 8. Neither said much about growing up; it should be assumed that their experiences were pretty much that of every young man under the Nazi regime and enduring the subsequent war. After the war Mondsee was under the American occupation zone, better off than the Soviet zone, but still an occupied state with a barely functioning economy. Hinterhoeller had apprenticed in a boat building shop in town but after 1945, there was little money for leisure activity in Austria, or anywhere in Europe at that time; North America, particularly Canada was the best bet. A colleague had already emigrated and was working for Shepherd Boats and set Hinterhoeller up with a job on the production line in 1952. Shepherd had actually built one, possibly two sailboats, but these were custom one-offs, everything else had an engine. Uninterested in motorboats, he began to build Y-Flyer racing dinghies in his garage at home. He built 40 of these little boats before the Y-Flyer craze fizzled out a few years later. By 1958 it was now or never, he designed his own sloop, a speedy 22-footer with a fin keel he called Teeter-Totter. There are some names that sound sporty and fun in German, but just don't land right in English (the VW Golf, for one) and naming a sailboat after a child's play structure didn't work, particularly one that goes up and down. Hinterhoeller stretched Teeter-Totter out to 24 feet and renamed it Shark, indeed the boat hull did look strikingly like a shark swimming upside down. In many ways it was a scaled-up version of the little afternoon boats he had sailed back in his childhood. The early versions were plywood, Hinterhoeller was not quite ready for the fiberglass thing quite yet. Orders poured in for the Shark, he and another work colleague named Gordon Brimsmead said goodbye to Shepherd (now under new owner James Hahn) and went into partnership as Hinterhoeller Limited.

Bruckmann followed in 1956 after learning the cabinetmaking trade, again with a box of tools and no English, and went to work for Metro Marine in Oakville. Metro Marine was a side investment of shoe manufacturer and sailing enthusiast Harry Greb. Back when I was a kid, just about every non-running shoe seemed to be a Greb, the shoe salesman would come over with a Greb box in one hand and the aluminum foot caliper in the other. Greb was also a member of

the R.C.Y.C., which turned out to be invaluable to Cuthbertson for business connections. In 1953 Greb sent Peter Davidson over to England to search for a used yacht. Davidson bought a 71 foot ketch Mir built in England and he and Cuthbertson was given the job of sailing it across the Atlantic and into Lake Ontario. Greb bought the Oakville Yacht Company to serve as a mooring location for Mir. He had a second project, a schooner named Herron and he purchased the Northern Shipbuilding and Repair in Bronte, Ontario and renamed it Metro Marine.

Metro Marine hired Dell Ives and Dick Telford to manage this enterprise. Telford came up with the bright idea of inside out boatbuilding. This was reversal of the accepted method of building the hull first and then finishing the interior. The bulkheads and cabinetry would be done first, then attached to the frames and finally the planking would go on. The benefit here is that the workmen could work comfortably standing up rather than crouching and jamming themselves into the curved, cramped spaces of the hull. Another problem solved was the time spent simply getting into and out of the hull. Once a hull was completed, the workmen had to climb up a ladder, usually with an armful of wood and a power tool. Up and in and then back down to get something else, and then back up again. George Hinterhoeller dealt with the issue by building a work floor flush with the boat deck. A second innovation was the use of bead and cove joinery for the wood, rather than simply butting the ends together. Bead and cove was more work, but it had greater solidity when finished.

Metro contracted with Cuthbertson and Davidson for a few early designs, but they weren't lucrative or numerous enough for the firm to go full time into pure design work, they stuck with brokerage to pay the rent. Ives hired Bruckmann in 1956 and he quickly became the key production man. Metro remained strictly a wood builder, providing smaller and more affordable sailing craft than the plush and pricier products at the J. J. Taylor shop. As noted, Bruckmann had no sailing history, the position at Metro was a job that coincidentally involved boats, the career found the man. This was in the future, as Bruckmann had more confidence in getting into the cabinet making trade, which at the time generally meant kitchens. But by the late 1950's kitchens were no longer custom creations so much as prefabricated packages built by factories and sold through homebuilders and hardware stores and picked out by customers looking through a catalogue. There was no real progress in the kitchen cabinet business, but he had several contracts for sailing yachts since leaving Metro in 1962, when in 1964 he landed the contract for a racing yacht. Telford died relatively young in 1975; Metro had never transitioned into fibreglass, it eventually faded from the boatbuilding scene.

Red Jacket awaits launching in Kingston. Sorry, I can't identify the women, I assume wives/mothers of the project principals.

The idea for a game changing racer came from Perry Connolly, who owned a construction company that was making its mark in the small to medium sized hotel and motel business; it would win the contract to build most of Holiday Inns and later the Best Western hotels in Ontario. He was also a member of the Royal and an experienced sailing racer. He contacted Cuthbertson and Cassian to design what he termed the "meanest, hungriest 40-footer afloat" and awarded the construction contract to Bruckmann. This, to say the least, was a pretty tall order given the take-no-prisoners, spare-no-expense world of yacht racing. Alexander Cuthbert thought he could overcome American resources with sheer sail expanse, he couldn't. His clansman Cuthbertson would have to come up with completely new ideas, brute force and wishful thinking wouldn't cut it. A new steering system would be in order. For the typical sailboat, and racer at the time, most of the bottom of the hull eventually extended into a keel, at the stern the rudder was integrated into the keel shape.

The mind, the means, and the money. Part of the team behind Red Jacket George Cassian, George Cuthbertson and Perry Connolly.

Cuthbertson decided to shave off the full keel and go with a fin keel, a shorter trapezoidal shape, rather like the fin on a shark or any kind of fish, and a separate spade rudder, the type used on all motorboats, so named as it was a flat plate on the end of metal rod. This dramatically cuts down on the wetted surface area, that is the amount of the hull pushing through the water. There was enough money in the pot to take a model down to the Stevens Institute of Technology in Hoboken, New Jersey to be tested in their test tank, a sort of swimming pool designed to mimic water currents and waves in the same way a wind tunnel is used to test airplanes. The hull performed well, but the rudder shape was changed over and over until it resembled less of a spade than a sort of flat ended kitchen knife.

Bruckmann's shop building Red Jacket. Balsa wood is glued to the inner hull. Channels have been cut for strapping for additional support. Unlike later production boats, the final gelcoat would be sprayed on to the hull and hand rubbed to achieve a shiny finish.

The second issue was to lighten the overall weight of the boat, and the lightbulb moment came with balsa cored hulls. People were still getting used to the idea of a boat made of glue and glass, now they were bringing wood back, and of all wood, balsa. Most men with the means had played with balsa wood model airplanes when they were younger and were well aware of how flimsy and breakable the little pieces could be. But the balsa was there to provide the lightness, the strength was in the outer fiberglass sheets and resin. The idea was not new, wood boats are composite materials, solid adhesives known as paint and varnish on the outside, wood inside, the difference was that the strength was in the outer adhesive, not the wood. It was not a C & C

invention, but came about from the Kohn family, who had fled the Nazi conquest of their native France and immigrated eventually to Ecuador where they re-started the family wood business, specializing in uses for balsa lumber. The company, known as Baltek, provided balsa for use in wood composites for Mosquito fighter-bombers. After the war, Baltek, needing new markets and new products, convinced a boatbuilder named Abner Crosby to use a balsa fiberglass sandwich for the pioneering 1955 Crosby Hydrodyne runabout. It sold, but the public wasn't ready for the revolution, not just yet. Also Crosby's boats were rounded with bright colouring and looked a little too much like bathtub toys. Baltek tried again and finally made a deal with Hatteras Yachts in 1959, and the balsa sandwich was incorporated, but into a motor yacht, not a sailboat. The sailboat industry was still getting a handle on the idea of fiberglass, recalling that the 1958 Inishfree was still made entirely of wood. Chris-Craft's infamous Lake 'n' Sea series was an attempt to break into the fibreglass boat market. The boats were very handsome to look at, with a nice baby blue and gloss white colouring. The design was to build a plywood hull, and then coat the wood hull piece with fibreglass sheeting. Of course water would seep into the hull structure, and once inside, without air to bother it, mold rot would run rampant and utterly destroy the plywood core and the water would start to creep in from the weakened structure; the line became known derisively as Leak 'n' Sink. Chris-Craft sold the boat moulds and shifted away from runabouts and concentrated on cruisers.

Still, Bruckmann was willing to give the sandwich concept a go. There was no room in his small shop for a project of this size, space was rented in a building at a Burlington lumber yard. He also had to hire a temporary staff for the project. He did not go with what would be the production style (in fairness, he never was a production guy, that would be Hinterhoeller's thing), with spraying a mould with gelcoat and then laying in the fibreglass, but (as near as I can tell) actually used the plug, the internal boat shape the mould is made of, as a frame and laid the fibreglass sheets over that. Then he put on the balsa core, as can be seen in the photograph. The balsa panels at the time were cut longitudinally, basically taking the balsa board and feeding through a resawing machine, creating thin sheets that appear to be roughly 8" X 8", and then glued onto the interior fibreglass sheets. Interestingly, a decision was made (it is still not clear whether this was the George's or Bruckmann himself), to cut channels in the balsa for solid fibreglass strapping for additional support, as the boat would be subject to serious stresses in the races where it would ultimately be campaigned. More layers of fibreglass sheeting would go over the straps and balsa, and finally the gelcoat would be sprayed on and given a gloss finish. Designer Rob Mazza, many years later, would admit in a magazine article he took a dim view of the sort of craftsmanship, "too much hand-rubbing…" he put it, as indulgent and a waste of time.

The resulting boat, named Red Jacket, after Seneca chief and negotiator Sagoyewatha, swept the American competitors aside, this time not in the Great Lakes but out on the big bad Atlantic, where Alexander Cuthbert had been banned eighty years earlier. At 40 feet, Red Jacket was too small for an America's Cup challenge, but it qualified for the second most important race, the Southern Offshore Racing Conference (SORC), which held various competitions off the Florida coast. The victory in the 1968 SORC challenge was the first big open water success for Canada, finally settling the open-ocean score for Cuthbert's Atalanta and Countess of Dufferin. Cuthbertson and Cassian were the men of the hour, design contracts poured in, and they were finally making some real money. Bruckmann was now the go-to custom yacht builder in Ontario.

C & C Yachts You guys need money; here's how you get some

The boat market was growing. 1966 seemed to be the turning point when the ploddingly slow build-and- then-out-the-door to start on the next seemed to shift to a progressively higher gear. Aggregate sales of Hinterhoeller/Belleville/Bruckmann that year were $1 million, then $1.5m in 1967, $2m in 1968 and projected to be close to $3m in 1969. Growth required capital, and the scratchy profits from the boat business were not enough. Bank credit lines would only go so far. The biggest stress was that boatbuilding was a year-round effort, but sales were seasonal, the big rush coming in the spring. Completed boats would have to be put out in the yard, slowly accumulating, and taking up more and more space. Mid-winter boat shows were critical and there were customer sales, but this was not enough, and the company had to find a way to finance operations until the snow melted, and the water became soft, or at least, given Lake Ontario, less cold and grey and ugly. At this point Cuthbertson was well aware of the financing problem his yacht design customers were going through and happened to bring it up with a friend (and owner of a C & C designed yacht) named Robert Sale, who responded "That's because you guys have no money!" Sale was a vice-president of the investment banking house of Walwyn Stodgell & Co. and proposed the obvious if unprecedented solution: why not merge all four enterprises and go public with an initial stock offering?

Bruckmann's Redline 25, introduced in 1968, just before C & C Yachts. The model was rolled into the overall production program Photo Adam Hunt

O'Day Yachts had gone public in 1964, but as mentioned this was very short lived before it was bought out. No such financing solution had ever come up in the Canadian boatbuilding industry. The idea of a publicly traded corporation with hard driving executives, a head office, a modern

factory with assembly lines, aggressive salesmen and gleaming showrooms did not jive with the public's image of a boatbuilding shop. These were almost always small family-owned enterprises operating out of a drafty, one- or two-story wooden building down at the water's edge. Sawdust was everywhere. Inside there were several boats, all in a jumble with craftsman sawing and hammering away in no particular order. The company lasted for several years, or even decades, then it changed hands. All work slowed during a recession or ramped up during a boom. Sometimes the business expanded, other times it burned down or just closed mysteriously. It was disorganized and artisanal although the workmen and owners insisted there was a method to it all, or just shrugged and replied: "you don't know the industry". Financing was sometimes through the bank, but more often private investment capital from rich customers who thought they could make an investment out of their favorite hobby.

Sale's plan had four steps. The first was to meet with all the business owners and secure a written agreement to proceed. The second was to establish a valuation of the four contributing businesses. Cuthbertson & Cassian was comprised of the two George's, Rob Ball and a rotating collection of apprentices, office supplies and drafting equipment; it's income came from a mix of design consulting and boat brokerage services. The hard assets came from the boat plants, with a total fabrication floorspace of 47,500 square feet. Bruckmann Manufacturing Ltd. had 20 employees and a small shop of about 3,000 square feet, capable of one boat at a time, maybe two at the most. Belleville Marine Yards Limited included the marina, and a 13,000 square foot shop and around 50 employees. Hinterhoeller was the largest operation, with 34,000 square feet of plant space and 60 employees. The total workforce was 145, and we have to include another 20 or so support staff. The combined valuation of the enterprises was calculated at $2,888,830, split into the net book value of assets (land buildings, equipment, accounts receivable, cash (if any)), other left side balance sheet odds and ends), of $395,388 and the remainder $2,492,992, painfully described in the financial statements as "EXCESS OF COST OF SHARES IN SUBSIDIARY COMPANIES OVER NET BOOK VALUE AT DATE OF ACQUISITION". If you stick a pin (or more appropriately, a wood screw) in this it deflates into the term "goodwill". Goodwill is a calculated estimate of the future possible income earning potential of a given business, projected ten years into the future and expressed as a current value. Basically, if you want to buy my company, you will have to compensate me right now for all the profits I could potentially make in the future, otherwise why should I take the deal. As a former corporate tax auditor, I have seen a great many business sales and as asset valuing goes, a 6 to 1 ratio of hopes and dreams over hard assets is pretty ambitious. It's not uncommon in low-asset high labour-driven industries, but very lopsided for an asset-heavy manufacturing enterprise. Still, the plan was that each corporate input would receive the same shares and value, in this

case 148,992 shares at $599,992 paid up value, basically $4.00 a share. On top of the shares of C & C received in exchange, the shareholders were also awarded a further balance of notes payable of $488,412. The basis for this is not mentioned, I except it was to balance out the differing valuations of the four enterprises; obviously Hinterhoeller Boats with it's land and plant and 60-80 employees would have a higher value than the Cuthbertson & Cassian enterprise with no significant assets and only six employees. The fourth and final leg was the public offering of 350,000 shares at $4.50 a share, giving the shareholder directors a nice value little bump of $0.50 a share without having to lift a finger. Walwyn Stodgell charged them $110k for the public stock sale, leaving funds of $1,464,000 to the company. C & C Yachts was not large enough to be formally listed on the TSE, its shares, when traded, were through the over-the-counter market, what used to be a library card sized corner in the business section of the paper, with the title "unlisted". This applied, however, only to the IPO shares, the 600,000 owned by the director/officers (this included Cassian as well, even though he was neither a director nor officer, nor would he ever hold such a post). The officer/director shares could only be sold with prior written permission of the Ontario Securities Commission, a standard move for all companies to provide some level of credibility and avoid the sort of schemes that were so common, say on the Vancouver Exchange. But as soon as the funds were received, the $488,412 due to the shareholders was paid off, which meant that a third of the publicly raised funds had already been used to cover, what was, in reality, a dividend to the director/shareholder group. The purpose of the funds was clearly intended and was presented as necessary to purchase new production assets and finance working capital needs to drive growth. It's not illegal, as long as it received director approval, but it doesn't look good, particularly at such an early stage of the company's development, and given the company's financial situation, inappropriate and it would have ramifications down the road. The first phase of the expansion was to increase plant space and production facilities by adding 45,000 square feet, 6,500 at Bruckmann's shop, and the remainder, most likely at Niagara on the Lake. The only problem, as noted in the 1971 Annual Report…

"These increased facilities required cash outlays from the public financing. These were not, however, sufficient…"

If they had left the $488k in the corporate account, this might not have been an issue. In addition, the company had to cover a working capital hole of a further $98k from the predecessor entities. That year's net profits were $96k, not enough to fund the intended expansion program. Still market was hot and seemed literally to be pulling boats out of the production shops as fast as they could be made; that kind of success breeds a lot of patience

from bank managers. The key to that success was fiberglass, which had already completely conquered the motorboat market, wood was dead, aluminum was for small fishing boats but not much more and steel was not happening. Indeed Kurt Beister had stuck with steel as the material of choice, now his boat sales were falling out as other northern European builders changed to fiberglass; he closed his yard in 1981. By contrast, all C & C products were all made of fiberglass. C & C Yachts did not have to develop a product line at the beginning, this came along with the incorporated shops; Hinterhoeller with the bestselling Shark and Morch with the Corvette and Crusader. Before the merger Hinterhoeller had already been planning to move into the bigger models and had already engaged Cuthbertson and Cassian to design what would become the model Redwing 35, already selling when it was merged into the C & C product line. The second in 1970 was the 27. Both were exceptionally stable boats, an important consideration given how many customers probably had fairly little actual sailing experience under their belt. It's interesting to note that while the balsa core system was used on the deck, the hull walls were solid fiberglass, unlike Red Jacket. While the method had worked for the big race boat, it was clear there was only so far they were willing to go with this innovation. I suspect they realized customers could live with the idea of balsa core deck but might make an I-don't-know face at the thought of a balsa core hull, again noting the men who had built model airplanes in their youth, and it was better to be on the safe side when it came to marketing. At any rate there was still concern about water wicking into the long balsa boards, which although technically a "hardwood", has very large open pores and soaks fluid up quickly. The ultimate solution would be perpendicular cuts to the balsa log, like making pie plates, so that the grain in the little sheets wouldn't line up and transmit water so easily. Red Jacket has survived to this day and still undergoes regular inspection to see if there is any water damage to the core material. Sixty some years later, so far, so good, which is a complement to the level of care and craftsmanship of Bruckmann's shop. The 27 sold over 1,000 units and the 35, as the more expensive craft, sold 351 units over their long respective production runs, from 1969 up to 1987.

Shark 24

L.O.A. - 24'-0"
L.O.W. - 20'-0"
BEAM - 6'-10"
DRAFT
DISPLACEMENT - 2100 lbs
BALLAST - 700 lbs
DESIGNER - GEORGE HINTERHOELLER

HALMAN MANUFACTURING COMPANY

DEALER:

CANADA'S MOST POPULAR "ONE-DESIGN" KEELBOAT

736
736

The ever popular 24-foot Shark, designed by George Hinterhoeller in 1959 shortly after he left Shepherd Boats, was rolled into the overall C & C product line upon the corporate formation in 1969. 2500 were made up to the late 1980's. It became a one-design racer, known as "Shark Class". Photo Adam Hunt

The market was growing quickly, and C & C had to expand, and quickly. In 1971, Morch hired an outside consulting firm to develop a go-forward business plan. The results may not have been what he expected or may have wanted to hear. Basically, the consultant's recommendation was to close Morch's Belleville shop and move all mass production to Hinterhoeller's plant in Niagara on the Lake. This was in the Morch's own words, as President, in the 1971 Annual Report:

> *" An analysis of the operations indicated that the production allocated to the Belleville Division, consisting for the most part of older designs which employed much less production tooling [i.e. assembly line mechanization], would not produce the same return as the newer models using a higher degree of tooling under an environment designed for the purposes.*
>
> *Furthermore, the study showed that in terms of quantity production the Belleville plant could not be economically converted, nor could it be used effectively for specific production as the balance between molding and assembly floor space could not be met; coupled with these factors was a waning demand for the older designs."*

Therefore:

> *"Management concluded that a maximum plant expansion at Niagara of approximately 40,000 square feet will produce the desired operating results and improved earnings. This addition will double the capacity of Niagara from $3 to $6 million, which results in a net gain of $1% million after allowing for the closing of the Belleville Division.*
>
> *All production will therefore be under one roof, and when combined with the potential output of the Oakville Custom Boat Division, C & C Yachts' capacity is approximately $7.5 million, depending on product mix."*

Basically, this meant Morch's baby was going out with the bathwater, and Hinterhoeller's would grow up to be big and strong. I think Morch realized how necessary this was, but he also recommended that the individual corporate production subsidiaries (Hinterhoeller and Bruckmann) be wound up into a single entity, to be simply named C & C Manufacturing. There would be some cost saving from not having individual corporate reporting to deal with, but mostly it would avoid the uneasy appearance of Hinterhoeller winning and Morch losing,

needless to say, Hinterhoeller didn't like the idea much and coldly refused. Morch advocated for the amalgamation, although he never actually confronted Hinterhoeller directly about his concerns and began to push Cuthbertson to intercede. On a couple's night out, Cuthbertson brought the issue up once more with Hinterhoeller, with predictably uncomfortable results. Yet the very next day Hinterhoeller suddenly turned around and agreed to the restructuring. The Bruckmann and Hinterhoeller entities would be wound up into C & C Manufacturing, whereas Belleville would exit boatbuilding and transition to C & C Yacht Sales Ltd. operating as a retail and showroom. This resolved nothing on the interpersonal level: relationships between Morch and the other principals, particularly Hinterhoeller, became ever more difficult and Morch finally threw in the towel in 1972. Morch sold his shares and left the enterprise entirely; as part of the deal he was able to repurchase Belleville Marine Yards and would run it, but now as a marina.

With Morch and Belleville Marine out of the picture, who would take charge? Bruckmann's shop was a marquee business, vital for the corporate brand in terms of racing successes and certainly high value, high margin projects, but it would always be small in terms of volume and revenue. In many respects, Hinterhoeller was the big man in C & C, the mass production mastermind that drove sales and ultimately profits. Now he was in charge and hated it. The hands-on part of company president was shaking other people's hands and endlessly shuffling and signing papers. He spent ten months as CEO before demoting himself back to his old job as VP of manufacturing.

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The classic C & C 35 Redwing, Cuthbertson's personal favorite Photo Adam Hunt

Now with Hinterhoeller out, someone had to be CEO. No one wanted to. Cuthbertson didn't want it, Bruckmann, as noted was not familiar with volume factory production. At any rate, Bruckmann had certain anti-managerial eccentricities. According to Cuthbertson:

> *He's a European trained, old-school craftsman. But he gave us fits as a manager…as he runs rampant, trying to find better ways to build boats.*

I think, that in a production environment, this refers to building something that works well enough, only to have the master builder declare he was unsatisfied and then rip the completed work out and trash it so he can start over on what he thinks is his new and better idea. Bert Minett had the same tendency and needed a more stable influence such as Bryson Shields to tell him to leave it be and move on to the next project.

Cassian certainly wasn't the man for the job either, as Cuthbertson noted in an interview with Dan Spurr:

> *People wondered why I didn't turn [the design shop] over to George Cassian, and that's a fair question. The answer is that Cassian was an excellent designer and draftsman and a god-awful manager. He was a good guy. A charming fellow. Very sociable chap. Pleasant, easy-going... There was no way I could put him in charge of administering an office of half a dozen people.*

Cuthbertson had also been absent, burned out from, as he put it, 22 years of trying to make it in the yachting business and had retired to his farm to recharge. He had put the design shop under Robert Ball. An Ottawa boy, Ball had taken his degree in naval architecture at the University of Michigan, joined Cuthbertson & Cassian in 1966 and had proven himself to the point that he became VP of Design at the age of only 30. Although Cassian was very much the senior in terms of experience, he had no managerial ambitions, at least according to Cuthbertson, or at least did not register any resentment at being passed over for the job, also according to Cuthbertson.

In the absence of any succession plan, Cuthbertson returned to take the top job, as he put it, on an interim basis until a professional manager could be found. This did not happen, and any professional manager would be insane to take a position like this. You would be supervising people who were both directors and officers who owned a controlling share of the company and who could potentially veto any real business changes you wanted, or force to you pursue

ventures you didn't agree with; essentially you would have all the dirty jobs and no real power. As the new top boss, Cuthbertson was not afraid of making decisions, which is a good thing for a CEO, but once a decision was made, there was no going back, even when the evidence was against it. The most important decision now was expanding production, and where and how that would take place. In the early seventies, business journalism was all about the multinational, an enterprise with a worldwide footprint. There was political concern about this, as people became aware of just how many of the country's businesses were headquartered and controlled by persons living abroad. But Maclean's magazine decided to allay fears of missing out, and in an issue in the early 1970's noted that, indeed, as the cover article pointed out "Yes, there are Canadian Multinationals". C & C Yachts was about to become one.

C & C 27 Mark III version updated in 1974 Photo Adam Hunt

NZ
1040
NZ
1040

C & C's real mega, the 67-foot custom schooner built for Michael Davies, publisher of the Kingston Whig-Standard. Photo Ken Heaton

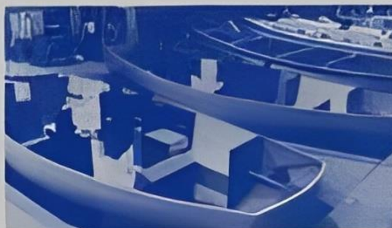
Big, Bigger, Biggest. C & C Yachts started at $25,000 and could go as high as $150,000, particularly for one of the 61-foot luxury seagoing beasts that came out of Bruckmann's custom shop. The biggest of them all was a 67-footer ordered by Michael Davies, owner, and publisher of the Kingston Whig-Standard. It required six months of design work and then fourteen more months of work in the custom shop and the final bill is not known, it would certainly be in the early six figures, in 1980 dollars. But even the lower end of the C & C line was a stretch for the average middle-class boater. $25,000 was a lot of money in the 1970's, at the beginning, it was half the cost of a small house. Who would serve the smaller and less expensive end of the market, something that the average income earner could actually afford? Granted there were many wood sailboats around that you could buy on the cheap and imagine yourself rebuilding in the cramped back yard of your house. But wood boat restoration was still in it's very early stages, and most such owners could only stuff planks with window putty and scrape out rotten areas and fill the hole with Red Hand filler, a stiff, horrible smelling epoxy mixture that dried out into a hard plastic-like substance that didn't adhere that well to wood and had a habit of falling off while underway. Wood sailboats weren't hard to find, you just had to find a big city marina and there would be several, all up on blocks and with visibly wonky looking planks at the stem and stern. I think even more than wood motorboats, the sight of these crumbling monsters was off-putting even to the most delusional hobbyist. It was easier to build a project catboat out of plywood using the plans in a magazine, or by the mid seventies, just buy one and get right out on the water.

C & C Yachts: Across the border, across the pond

C & C Yachts was beginning to feel the pressure and demands of having overseas operations. In 1973 Cuthbertson had taken the top job and Hinterhoeller had stepped back down into his old post as VP of Manufacturing. A plan to have boats built in Europe was tabled and then put on hold in favour of a stop-gap manufacturing contract with Baltic Yachts Oy Ab Ltd in Jakobstad, on the Baltic coast of Finland; the better plan was to build a dealer network first before making the jump to an owned facility. In the 1974 annual report Cuthbertson noted that sales were "booming", but were they really? The great inflation of the 1970's was gearing up, given a push by the OPEC oil embargo, both good and bad news for C&C. The good news was that the skyrocketing cost of fuel shifted boaters away from thirsty motor cruisers and towards natural energy craft such as sailboats (even though most sailboat owners tended to use the onboard

motor a lot more than they liked to admit) but the bad news was the inflation was distorting metrics of success. Between 1972 and 1975 the CPI had jumped 34% (remember you have to factor in last year's inflation in the current year as well, in other words, this year is not just 11% of the base year, but all the compounding inflationary bumps since then). In 1972 3.15 million pounds of raw material went into the plant for sales of almost $7 million. In 1975 3.4 million pounds were used against sales of almost $13 million. Granted there were issues of inventory and improvements to wastage, but it still shows how much inflation distorted what otherwise looked like a big revenue jump, in other words, sales were increasing but not booming. Further the main Niagara plant had reached it's productive capacity, and Cuthbertson had made the decision to focus on international production, which meant building plants in Kiel, Germany and Middletown, Massachusetts, USA. Although the Kiel plant business would be done in Hinterhoeller's native tongue, once again he would be on the phone to solve problems, rather than simply get out of his office and see firsthand what was going on; it was too much like being the President again, not to mention the necessity of being on an airplane on a regular basis to visit the other shops. He called it quits in the summer of 1975.

Hinterhoeller left C & C in 1976 and sold his shares. He essentially restarted Hinterhoeller Yachts with a new 62,000 square foot factory in St. Catharines and brought along a number of his old staff from the C & C shop to start up production.



Back in business, Hinterhoeller Yachts ad from late 1970's. The building at 8 Keefer Street in St. Catharines is now occupied by another (motor) yacht builder Neptunus Yachts. Sorry I couldn't clarify the text.

Hinterhoeller had no ambitions at going public or building a worldwide empire, simply having his own single shop where he could walk down onto the production floor was sufficient. Mark Ellis, who had gone through a brief six months turn at C & C, left, and set up his own business, and now became Hinterhoeller's go-to designer.

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Hinterhoeller II Nonsuch 22. Hinterhoeller brought out the idea of the big catboat as cruiser. Photo Adam Hunt

As C & C's top man George Cuthbertson was no longer in charge of the design division, that did not stop from involving himself in the design process. Like any technical artist, which is what a designer is, no matter how mathematically skilled, has to have an intuitive sense of what both looks good and works well. Like every artist, he had his good works and great works and other works that get shuffled aside and are not talked about. DS Yachts in Odessa and Vandestadt & McGruer in Owen Sound were making small trailerable sailboats; why couldn't C & C produce a large one? The genesis for the idea came from Peter Barrett, whose employer North Sails Ltd. provided much of the rigging used on the C & C fleet. A trailer-sailer would have the same bottom dimensions of a trailerable motorboat, in that it would sit low enough on the trailer enough to float free when backed into the water and could be launched by the owner at any launch ramp and taken out just as easily when the sailing was done. The keel was referred to as folding, but it was in fact a drop-down centerboard system where it could be wound up into the hull with a crank. Barrett sold this as a potential game changer for C & C, one which would not be limited to marinas only on the Great Lakes, or big lakes like Simcoe, but one which could be taken anywhere This approach was completely doable as noted with the DS-16. But C & C was planning to do this with a 30-footer. Although Cuthbertson was up to his eyeballs in CEO duty, he put his hand in the design process as well along with Barrett, who was described in some research as a "lawyer by training". This underestimates the man, he was a lawyer, but also a mechanical engineer, and had a degree in naval architecture. Sailing in the Finn (dingy) class for the United States, he had won a silver medal in the Tokyo Olympics in 1964 and gold in Mexico City in 1968. The actual design brain and entrepreneur behind North Sails was another Olympian named Lowell North. There is no question that Barrett had the lived experience and the educational background, but his hands on work for the Mega was less clear; he is credited with 6 boat designs, interestingly the Mega is not mentioned. But it is clear that he saw a large sized trailerable sailboat as potentially transformational. One of Cuthbertson's demands was no more crouching, cabin was to be standing room with a 6-foot height (Cuthbertson himself and his protégé David Gee were both 6'2") but this demand meant a much taller cabin and much higher freeboard. The displacement weight was a surprisingly light 4,500 pounds, by comparison consider the similarly sized model 29, with displacement weight of 7,500 lbs. The keel had a torpedo like bulb at the bottom, the keel would retract up to the bulb which would remain outside the hull while being trailered. Because of the wide load hauling restrictions, the hull, although unusually high, the beam was the road legal max width of 8 feet in comparison to the 29's more comfortable 10-foot beam.

m
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MEGA

The C & C Mega, underway   Photo Adam Hunt

Because of the higher freeboard, it sat higher out of the water and had more surface for waves to whack into. One of the design staff, Rob Gerrard came up with the idea of naming the boat Mega, and the name was emblazoned on the boat side, in skinny slant lettering, a graphical font that was popular in the 1970's but hasn't been seen since. Rob Mazza and Gerrard were charged with realizing the vision of his boss and Mr. Barrett. Mazza recalled how the problems escalated.

"The Mega was a good example of Cuthbertson's will... He solicited comments on the boat, then wouldn't take them. The dealers were skeptical. It was Barrett and Cuthbertson against the rest."

Cuthbertson ordered the tooling for the Mega for both the Kiel and Rhode Island plants and the rented space in the now empty Grampian plant exclusively for Mega production in Canada. It was supposed to sell 200 a year at $20,000 per unit, but less than 100 were produced and the model was discontinued the following year. After that, Cuthbertson agreed to a committee consensus product consideration approach, which became the company standard; everyone had to agree before proceeding. With unsold inventory lined up in the yard, the Mega became a kind of grim joke around C & C, per Doug Hunter, one of the design team.

The infamous C & C Mega Photo Adam Hunt

"Less than 100 were ever built, and trailerability was probably the single criterion that led the concept awry. The demoralized design office held its own "what to do with a Mega contest" - one entry suggested sinking them to make break walls. Custom shop head Erich Bruckmann made the best of a bad thing by converting a Mega hull into a cruising powerboat. Mega Putt Putt is still tooling around at eight knots."

Trailering was the big problem, and the bigness of the boat was the problem. Trailering a boat becomes exponentially more difficult the longer it is. Most trailered boats these days are about 18 to 21 feet at most. When you start getting up to size over 25 feet it is a challenge for the average boater and 30 feet, particularly with a big mast requires expert transport-driver level skill. You have to back it up to launch and guide the boat into the trailer when you pull it out,

you have to guide it into place. Launch ramps come in all shapes and sizes and conditions. Most likely the average boater would need to hire towing specialists to do the job, and most likely once or twice a season if that. Plus, you would need a truck, something most average suburbanites did not have at the time, and as a result of the emission standards and expensive gas in the late 1970's, car engines were becoming too small to pull anything larger than an aluminum fishing boat (the 1978 Cadillac did have 180 hp 7.0 litre engine, but it also had a notoriously squishy suspension that made boat trailering uncomfortable). Trailering the Mega was just too much in the eyes of the average customer, and they took a look, shook their heads, and passed it by. It wasn't as bad looking a boat as it designers and critics said, but it did seem a little clumsy looking relative to the rest of C & C fleet and the dumb name on the side didn't help either, more appropriate for an offshore powerboat than a sailing craft. Don Aronow was not immune to dumb names either, naming his first performance model Cigarette at a time when anti-smoking activism was reaching it's peak.

The failure of the Mega was one headache in a long four-year performance migraine for C & C. A quick glance at sales from 1976 to 1979 certainly looks impressive, from $17 million to $26.2 million, but once you factor that good old 1970's inflation of 8-9% each year, the adjusted 1979 sales are only $20.4 million in 1976 dollars, four-year increase of just $3m and change. The actual pounds of input went from 4.5m in 1976 to 5.6 million in 1979, so more raw materials were being used relative to sales. Still, 1976 at least seemed to be a promising point to start C & C's next phase. Cuthbertson and the executives and directors had big expansion plans but where would they get the money? Cash generated over 1970-1976 had been used to finance working capital and plant expansion, and lest we forget that $489,000 founder "loan" repayment. The good news was that America and Germany were ready to provide support. Rhode Island sold development bonds of $1.548m to buy the land and build the plant in Middletown, C & C entered into a lease-to-own arrangement with a right to buy the property for $1 after 20 years. In 1976 they took our a further $500k to finance the Middletown operations set up and a further $1,102,000 to purchase land and build a plant in Kiel. The good burghers of Kiel kicked in another $230 and 253k in 1977 and 1978 respectively. And then the whole thing went splat.

From the President's Report, 1978 Year.

During the year C&C 24 and Mega 30 were introduced into production, in addition to C&C 30E which has been ongoing for the past year. Although employment peaked at 80 hourly employees during the year, manufacturing has now been cut back to produce on an order basis only. Product supplied primarily from our Canadian plant will ensure a complete line to

European dealers.

In an interview with sailing writer Dan Spurr many years later, Cuthbertson elaborated on what he thought the real issue with Kiel was.

"*Mind you, we were also selling a lot in Europe, to the extent we eventually put in a plant in Kiel, Germany. We thought seriously about Ireland and Belgium and ended up settling on Germany. That only lasted a few years; we really got on the wrong side of the exchange! When we put in the plan the deutsche mark was worth about 36 cents Canadian. Within a month the deutsche mark skyrocketed to about 65 cents. That was just too out of reach. We could handle a premium of a few percent on the U.S. dollar, but we couldn't handle that. The Kiel plant was a mistake.*

What actually happened? The DM did indeed rise significantly against the Canadian dollar. At the time the plan was floated in late 1975 the DM was trading at $0.35 of the CAD. But the Kiel plant loan was at $0.453 CAD, and things progressed as planned. By the time plant operations started the DM was at $0.50 CAD and then stabilized at about $0.52 over October 1977 to July 1978, when operations began to wind down. Understandably the loan balance and interest would rise also, this is why one buys currency hedges. The issue of financing operating losses is understandable also, but how much money was Kiel actually losing? The 1979 Annual Report shows the comparative 1978 year as restated to remove Kiel results (this is the accounting equivalent of cutting out the face of your ex from your old photographs) and if you put it side by side with the original 1978 Annual Report and compute the difference, the numbers aren't that bad. Kiel sales are a respectable $3.5m CAD. The cost of sales $3.116m CAD, or 87% of sales, which is way over the expected 80%, but that affected the company as a whole. The operating loss for the 1978 fiscal is $399,000, not at all an excessive or unreasonable amount, particularly for a first-year operation. The rise of the DM to the $0.63 might add a $100k or so, but that certainly wasn't unbearable for a mid sized operation like C & C, and certainly preferable to the alternative. There is also an upside, that when the operation is profitable, there is a significant bump on translation back into CAD. Was there a problem with sales? There was no evidence of a buildup of inventory, although there were problems with the Mega, which was one of the three boats being built at Kiel, but the Mega was also built at the Niagara and Middletown plants as well. There was also the issue of the $500k of grant money ponied up by the city of Kiel, how would they react to the plant being shut down and the 80 workers back out on the street? My best guess is that Cuthbertson panicked (he admitted this, more or less) when he saw the exchange rates and instead of seeking advice from the other directors, or his bank, or

calling in some financial analyst, or just wait and see what would actually happen he arbitrarily decided Kiel was doomed and with his one and done style of decision making, there was no going back. The loss burned C & C's books for $1.326m, which it could not afford. A second stock offering was made in July 1979, this time as a private sale in July 1979 at a price of $3.15 per share for 350,000 shares, for $1,100,000 in cash. The founders and the IPO investors, in spite of the company's overall success in production and sales had actually seen their 950,000 shares go down in value, from $4.375 million to just under $3 million. But the bottom line over the four-year period between 1976 and 1980 amounted to a cumulative net loss of $286,000. The Kiel closure and the lifeline share issue in 1979 were gravely concerning; was this company going to survive or were they staring down a receivership? It was made even worse by the shock death of George Cassian who had a fatal heart attack after a game of squash, now only two of the originals were now left, Bruckmann and Cuthbertson. 1980 was profitable, but not by much, pretax profit was $771k only on sales of $30.5 million. Poor planning at the Rhode Island plant resulted in a shortage of raw materials in the last quarter, work stopped, and the workers were twiddling their thumbs with nothing to build. The plant manager was fired, but the damage had been done, and there was a time lost write-off of $485,000. The very public image of potential weighed against struggle was bound to attract the attention of those who thought they could do better.

The main C & C plant complex at 526 Regent Street, Niagara on the Lake, 1979 Photo niagaranow.com

Income Statement for C & C Yachts Limited
Fiscal Years 1978 through 1981

	30-Sep-81	30-Sep-80	30-Sep-79	30-Sep-78
Sales	39,652,000.00	30,504,000.00	26,214,000.00	23,468,000.00
Cost of Sales	31,713,000.00	25,878,000.00	21,451,000.00	19,796,000.00
Gross Profit	7,939,000.00	4,626,000.00	4,763,000.00	3,672,000.00
Selling & Administrative Expenses				
Executive Salary & Bonus			257,000.00	260,000.00

Consulting fees to Director				61,000.00	44,000.00
Depreciation					
Translation Gains					-151,000.00
Other Expenses				2,576,000.00	2,759,000.00
		4,532,000.00	3,200,000.00	2,833,000.00	2,868,000.00
Interest Expense					
Short Term Debt		13,000.00	242,000.00	373,000.00	288,000.00
Long Term Debt		372,000.00	381,000.00	405,000.00	399,000.00
FX Translation loss		-143,000.00	32,000.00	63,000.00	
Loss from discontinued operations				338,000.00	
Earnings before Income Taxes		3,165,000.00	771,000.00	751,000.00	117,000.00
Income Taxes	Current	1,316,000.00	94,000.00	372,000.00	-50,000.00
	Deferred	180,000.00	289,000.00		
Earnings before extraordinary items		1,669,000.00	388,000.00	379,000.00	167,000.00
Extraordinary Items Provision for Kiel				-875,000.00	
Net earnings for the Year		1,669,000.00	388,000.00	-496,000.00	167,000.00

The operating bottom line profit even by fiscal 1980 was a grim 2% of sales. Fiscal 1978 and 1979 are even worse. Fiscal 1981 saw the sale of the company and Cuthbertson stepping aside for David Gee.

Jim Plaxton, a hard-driving do-everything entrepreneur had begun his business career in the small regional airline business. He and partners purchased the ailing Great Lakes Airlines in 1975 and revived the business and then merged it with another carrier, Austin Airways, owned by Stanley DeLuce. The new company was to be known as Air Ontario, or as some waggish customers termed it, "Scare Ontario" for it's often hard landings. Apparently on a roll, he was looking for another potential turnaround target and found it in C & C. Already a well-regarded competitive sailor who had participated in several offshore races, he had both owned and raced

C & C boats. C & C made great boats, it was one the biggest players in a growing industry, and yet it couldn't seem to make money. Through Air Ontario, he made bid for C & C's shares at the original IPO price of $4.50. The board turned this down but realized that changes needed to be made now that the company was in play. Cuthbertson, who never wanted to be CEO anyway, kicked himself upstairs to the Chairman position and elevated his protégé David Gee to the presidency. Gee proved his worth and I suspect the ultimate success of the 1981 year recording annual revenue of $39.4 million and a record profit of $1,669.000 was his steady leadership and his capacity to plan ahead properly and avoid the disastrous goof-ups such as the inventory issues at the Rhode Island plant the previous year. Plaxton came back from his previous bid and made a second offer at $5.25 a share, and the C & C board agreed to it, along with a special deal for the shares held by the directors and officers, who would exchange their 404,000 common voting shares for non-voting preferred shares redeemable at $6.00 a share. There was no "hostile takeover" as some have suggested, it was simply a matter of the offering buyer and pondering seller agreeing on a price, which they did. For a total purchase price of $7.4 million, C & C Yachts was now a wholly owned subsidiary of Air Ontario.

C & C Yachts in the 1980's: Managing v. Market

The C & C 62 ketch, first boat of the new era, designed by Rob Ball, and built in the Bruckmann custom shop in 1981. Photo Ken Heaton

When round bottom displacement launches were used for racing, they could also be throttled down and turned into a Sunday afternoon excursion boat. Initially planing hulls were strictly for racing, they were too wild and fast for regular consumers, but designers like John Hacker tamed the beast and re-configured it as family friendly, it is our boat to this day. But the three-point hydroplanes of Jamie Auld were a jump too far, they could not be tamed and made safe and there is no expectation they ever will be. So there is a diversion in the motorboat world between racing and cruising, they have separate paths.

But the success of C & C Yachts was said to be built, in part on the concept of the racer-cruiser, a hybrid boat that could do both. Even as a non-sailboat person, I never really bought the idea of racing as a key success for C & C. The idea of the racer-cruiser seemed to exist more in the minds of sailboat builders and sailing journalists than reality, I suspect most of the customers were really only interested in cruising and only the most hardcore and dedicated of the membership were into the racing side. But C & C would now face the reality of racing versus cruising that had re-shaped motorboats, you could be one or the other, the hybrid era was passing. But not everyone was willing to let that go.

As of 1982, C & C Yachts was now a private company, no one could peek into their financial affairs other than the company directors, the banks, and National Revenue. A 1985 article by Roger Vaughan, on the look of the company management, he had the following to say:

Work is a suit and tie environment, with ties firmly in place. An air of formality pervades the subdued, well-ordered offices that are painted dark colors and trimmed in natural wood. Desks are clean. No personality cults are tolerated. The boats coming off the assembly lines in the building across the street, at a rate of three per day, are referred to by the Committee as product, corporate boats.

C & C claimed to have a 14% share of the $390m North American yacht market, which would set their annual sales at around $55 million by the year the article was published (16 years since 1969) so this would be 1985. This level of sales make some sense, if we extend the growth curve from 1981, taking into consideration that this was a mature company in a maturing industry. The product decisions were made by the “committee”, which had evolved into a much more collegial process than under the old system, where Cuthbertson swept aside all

questioners. With the designing George's gone, Robert Ball evinced what he thought was a more businesslike approach.

There is nothing magic about boat building. Too much is excused in the name of craft in this business. All the hand rubbing costs too much. We believe in doing it well, but also efficiently.

I get what he was trying to emphasize, it just doesn't play well. Ball was a talented designer, not a PR specialist; I don't think he meant to suggest he had low opinion of care and craftsmanship, but that's how it comes across. The sausage companies have ads about "handcrafted" products, everybody knows they're made in a factory with a lot of cold stainless-steel machinery, but the wording makes people feel good and think about eating a sausage. I suppose Ball thought he was pushing an image of corporate maturity, having started off with the charismatic entrepreneurs guiding the company though a stage of wild growth, and then being replaced by a commonsense business manager, who will listen and think clearly rather than forging ahead through a forest of raised doubts and blow a ton of money on some idea that won't work. Was that the case with all the players? The owner, Jim Plaxton was described as hands off in terms of day-to-day management but were still willing to provide positive ideas for the company's growth, particularly in terms of the racing successes which were considered to be vital to the racer/cruiser brand. The article had a front picture of three company principals, Ball at the left, Gee at the centre and the sales manager Wes Dalby (in jeans and missing the apparently required tie, posing over a modern yacht's chrome wheel, and shot from below to give the impression of command and competence.

"C & C's emphasis, the Committee said, is product oriented. Their slogan is evolution, not revolution. Theirs, they say is a family image of boats. For sixteen years, while other production builders have come and gone, C & C Yachts continues to make it work."

The name of the article is "The Committee and the Corporate Boat" and gives the impression of a successful, well- managed enterprise charting a course into a prosperous and orderly future when in fact it was pure moonshine. I am surprised as to the extent to which all the interviewees were able to maintain an air of mature calm at a time when C & C was busily swirling down the toilet. What went wrong? The article makes the following comment on Plaxton's relationship with C & C:

The prospective buyer [of the company] was Jim Plaxton, a man who had done well in the airline business and was looking for a new investment. Plaxton owned a C & C 36 and was

eager to go grand prix racing and had fond memories of the national pride Red Jacket had generated as the first Canadian boat ever to win at SORC. Plaxton was eager to beef up the performance end of the product. His eventual takeover (in partnership with Austin Airlines) was endemically troublesome.

My eyebrows raised at the phrase “endemically troublesome”. That’s a pretty forward thing to drop on the owner of a company the author is supposedly trying to print nice things about. The phrase does mean that something happened in the past that resulted in serious problems which manifest to this current day. What about the takeover and subsequent relationship was/still is “endemically troublesome”? Vaughan doesn’t elaborate; I suspect the magazine editor may have zapped part of the text to avoid conflict with a potential advertiser. Suddenly the article is sidetracking:

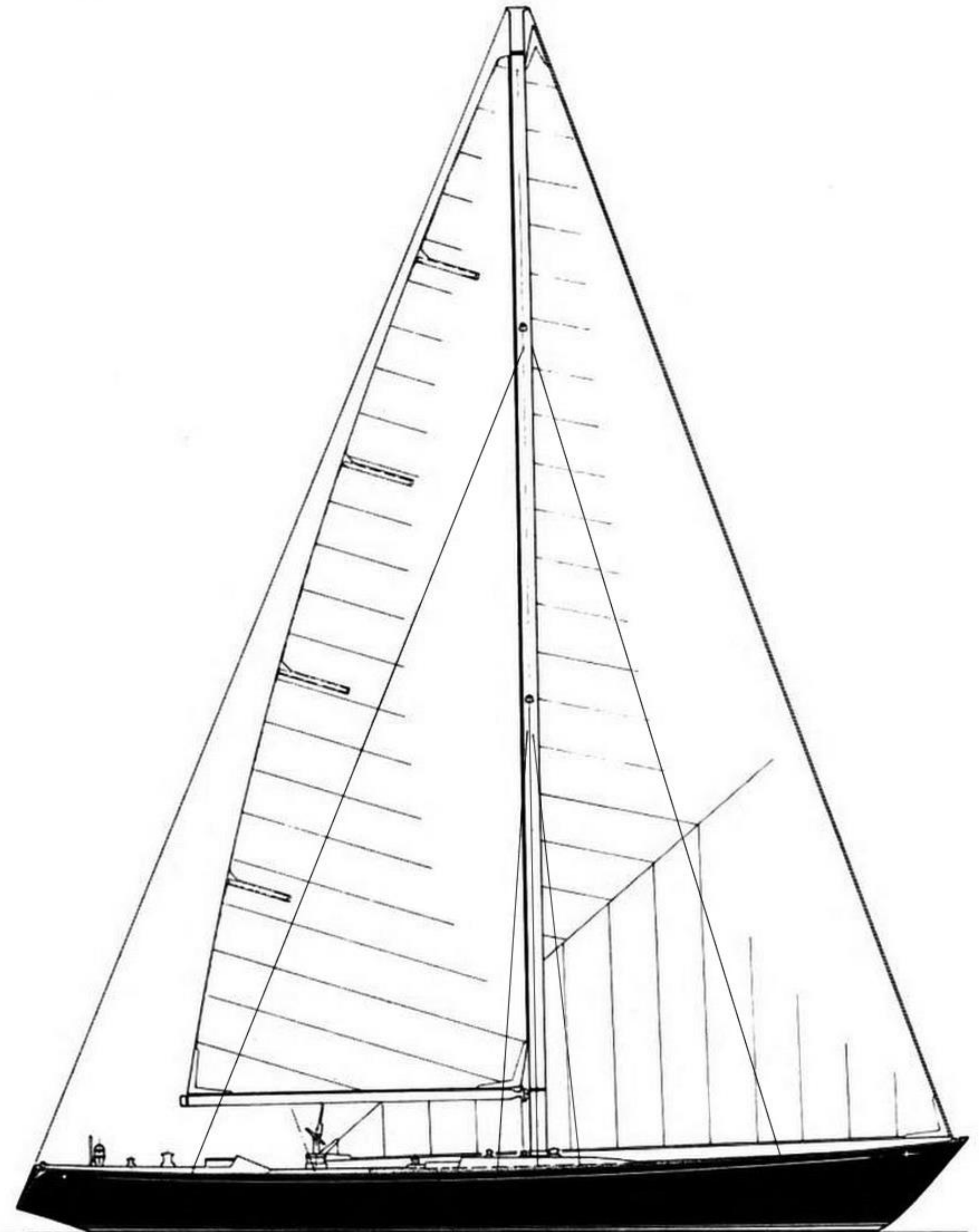
Plaxton is an idea man, Gee said of his boss. He generates a receptive atmosphere, calls for ideas and has definite input as a director. But he leaves running the company to me.” Plaxton would rather be sailing. He has campaigned a series of Silver Shadows, C & C production boat prototypes.

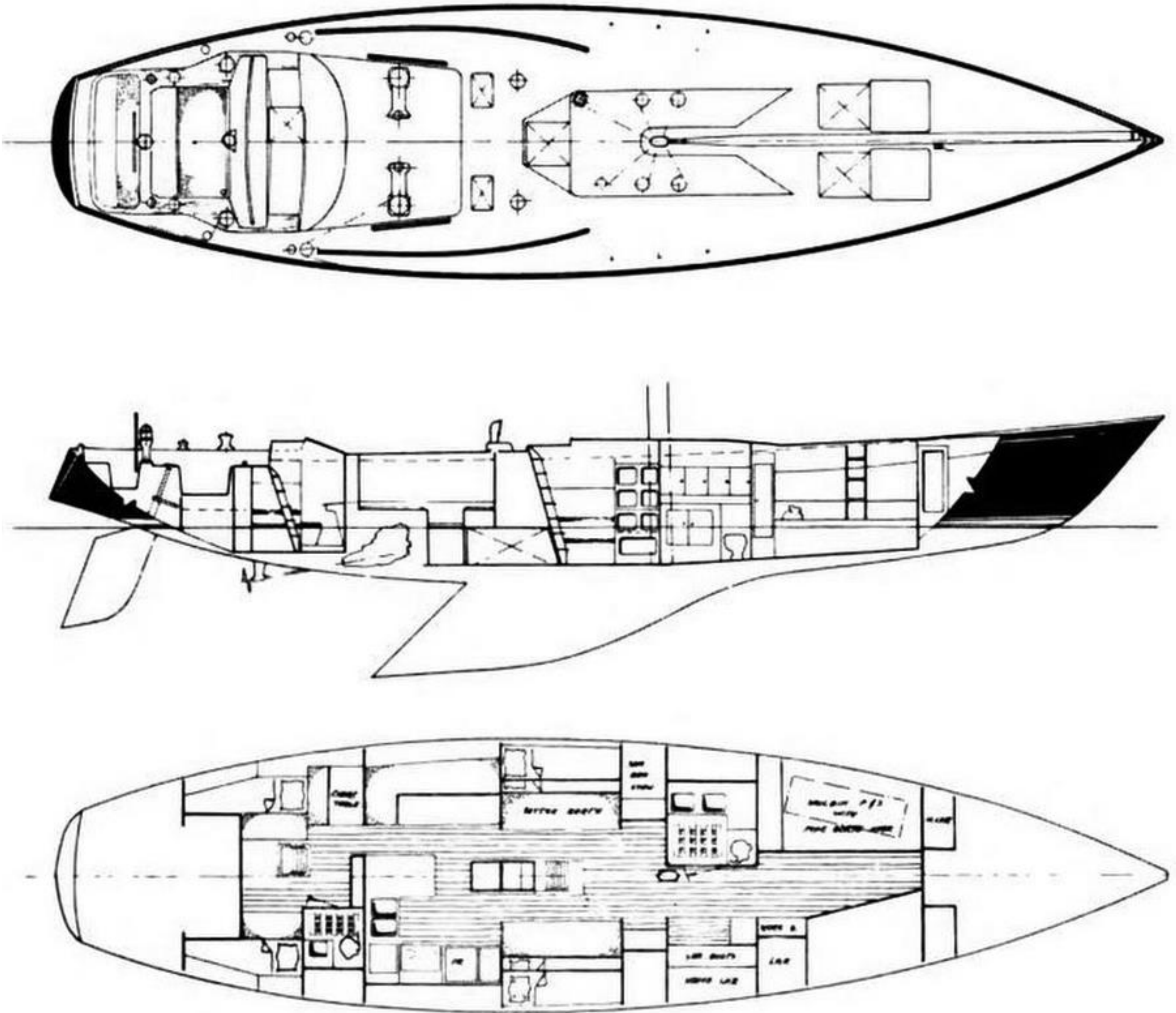
Translated into English, this means that Plaxton had very specific ideas about what he wanted C & C to do and be and how this was to happen. He visualized a return to the good old days where the company boats won races, and impressed customers bought the boats because they were superior at cruising and winning races. However, since Red Jacket and the 35, offshore sail racing rules under IOR system (International Offshore Rule) had changed and the predominant racing hull was shorter and wider and much less stable, in other words racing was becoming exclusive to true racing yachts, and less amenable to the concept the racer-cruiser; the lack of stability was a no-go for something sold as family friendly. Plaxton thought he could force the market to go back to yearning for the bigger and faster. In order to make the R & D happen, C & C expanded its design office, now there were 10 full time designers under Rob Ball. The cost of the racing program would add up to $1,000,000 to the annual administrative burden. According to one writer:

Once, Jim was in control, George Cuthbertson was out, and C&C began to design larger and faster boats. Unfortunately, as the economy turned in 1982, people started to hang onto their boats longer as they were not holding their value as in the past. To encourage new boat buyers, C&C changed products almost yearly, making sure no boat design was over 4 years old.

This makes sense, given Plaxton's stated intentions; however model upgrades and reboots were the norm. C & C had been adding to, updating, and changing its product line continuously since 1969, on average there were 3-4 model changes and additions each year up to 1981. For the four-year Plaxton era there were 12 model changes, or 3 a year (1977 had seen a total of six). The 44-footer had been brought out in 1985, but there were plenty of 40's, 43's during the Cuthbertson era, even a 61, one of which had been ordered by Herbert von Karajan, conductor of the Berlin Philharmonic and principal shareholder of Deutsche Grammophon, the mega-selling classical music press.

The article also mentioned that the boats were coming out of the Regent St. plant at a rate of "3 a day". There are 52 weeks in year, 5 days a week, eight hours a day for the unionized production staff. At this point (the article was published in 1985) Bruckmann's custom shop had been consolidated with the main shop and the Rhode Island plant had been or was in the process of being closed. The price ranges for C & C production (not custom) yachts was around $25-40,000 per boat-that was a lot of money for any sort of pleasure craft in the mid 1980's. The plant would be closed on weekends, so that is 250 operational days in a year, and cut a further 10 days for statutory holidays. Therefore 240 days times three boats a day times an average factory price of $32,500 and you would be looking at $23-24,000,000 in sales each year, not the hinted at $55,000,000. This makes sense when you consider the sales slide to $15 million in 1987-88 from the $45 million high in 1982.





Lines of the C & C 61. This was a custom order boat only, made in the Bruckmann shop.

The maestro himself, Herbert von Karajan at the helm of his C & C 61 The boat is Helisara, but there were a total of 7 so named yachts owned by von Karajan over the years. Photo karajan.co.uk

C & C made big boats as a matter of course, they ran on wind, there was no fuel crisis to push towards smaller craft. But if the price of gas wasn't the problem, then the recession was. The G7 countries had mutually agreed to increase prime interest rates into the sky, by 1980 they were up to a staggering 20%, good for granny who liked her Canada Savings Bonds, but a nightmare for anyone with variable rate debt. The cash tap for expensive toys began to run very dry. The racing was an issue, very real and costly: the boats were prototypes that did not convert easily into products, if at all, the only benefit was publicity and that only worked if you won races and that wasn't easy anymore. C & C Yachts did well at various races in 1982 and 1983, they tanked in 1985 with the revised and updated 44, although this appeared to be less the boat's fault than the crew – shades of the Atalanta. The 44 was still a solid enough seller.

From 1982-88 C & C had twenty known Ontario-based competitors, almost all of them stuck it out to the bitter end, slowly eroding C & C's commanding market share. There is a claim that there was competition from the French Groupe Beneteau, and particularly Jeanneau both of which produced boats with a more radically modern appearance that C & C, whose designs were mostly fibreglass copies of wooden hull styles. By 1983 Beneteau/Jeanneau were using more up -to date construction, with foam cores and more reliance on Kevlar and the new

wonder material, carbon fiber. But carbon fiber is extremely expensive, even today it costs *30 times* as much as an equivalent amount of fibreglass. Let's compare two boats, the C & C 38-3, which came out in 1985, and the Beneteau 1 Ton, which came out two years earlier, in 1983, so presumably the C & C would have the benefit of incorporating new ideas. The 38-3 is 37 and a half feet, with 729 square feet of sail; the 1 Ton is 39.4 feet overall with 829 square feet of sail. Both are sloops with a spade rudder and a fin keel. Displacement for the 38-3 is 14,275 lbs and for the 1 Ton, 12,125 lbs (the term "ton" is a classification rule based on the carrying capacity of the boat's hold, the calculated amount is strictly for the mathematics crowd). The lightness of the 1-Ton should be from the foam core carbon fiber Kevlar, but it was also designed as a racer with the barest minimum of accommodations in the cabin; the 38-3 was simple fibreglass with viable cruising appliances.

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The C & C 38-3 Photo Ken Heaton

But even with 100 sq ft less sail area and a ton more displacement weight, the 38-3, according to Sailboatdata.com had a rated speed of 7.6 knots, as opposed to the 1 Ton's 7.34 knots. Any imported luxury good always costs more, often much more expensive than a domestic one of the same characteristics. I don't know how much the Beneteau 1 Ton would have cost new, only 12 were made, I think it would be safe to say that the 38-3 probably cost in the region of $50,000 and the 1 Ton, given the import costs, duties, and the high-priced construction materials, would have gone into $100,000 plus, for a boat with limited comfort and convenience. There is always the ego market, where a buyer buys a dramatically higher price item just to show how much money they have, and that is what you have here, a dramatically more expensive boat for no appreciable gain in performance. A Beneteau would likely have been out of the range of C & C's typical customer, usually a senior level professional doctor/lawyer/engineer/consultant so I doubt it had much competitive leverage, except maybe at the very top end.

A fourth and not mentioned issue was the financing of the privatized company. Plaxton was a mid-level tycoon, and the $7 million he paid for C & C was a lot of money in 1982, his wealth at the time was fractional ownership of a regional airline. In order to help float the C & C deal, he had to sell some interest in Air Ontario to the point where, although he remained CEO, he was now a minority shareholder with Stanley DeLuce holding majority ownership.

Timing, however, is more of a problem and the early 80's were not the best time to borrow money. The prime rate at the final November 1981 buyout was 17%, and assuming a generous prime + 1 on say debt financing, this could be very onerous indeed. Even if the debt load was $4 million, to pick a number, the interest alone would be $700,000 a year. The high sales were about $44 million in 1982 and a grim $15 million by 1988 so if we factor in the slide in sales, the cost of the racing program, the administrative burden, and any possible leverage interest costs, a picture appears of profit in 1982, a small loss in 1983 and dramatically accelerating losses in 1984 and 1985. Gee left in 1985, shortly after the puff piece article he was replaced by Bill Deluce, Stanley's son. Dramatic measures were taken to cut costs, the most difficult was to close the Middletown plant and move production to Niagara. Bruckmann quit in 1984, probably sensing, correctly that the days of the custom shop as a separate operation were numbered, he was correct. The Bruckmann shop, from the early days after Metro Marine and into the C & C era, had built over 200 boats, but custom builds were becoming increasingly scarce. But plant closings are not cheap, Kiel cost $1.3 million, Middletown and Oakville would have likely

eaten another $2 million and possibly more. The Deluce's sold most of their interest in Air Ontario to Air Canada and secondarily planned to dispose of C & C, which they put into receivership with the intent of restructuring it's financial affairs. C & C was sold for $9 million, giving Plaxton and Air Ontario a $2m gain on their original investment. Plaxton moved on to other projects, including sailing. Stanley Deluce retired; his son Bill would become involved in an aviation history non-profit; another son Robert would go on to found Porter Air. A partnership, led by a Brian Rose of North South Yacht Charters Inc. backed by Mutual Trust would take over C & C. The plan was that Rose would lead C & C and the principal partner would be Mutual. Even in the go-go economy of the late 80's sales continued to slide and there was little Rose could so to effect a turnaround. Mutual launched an internal audit to find out what was going on and what could be done. What was going on was that 1988 sales had fallen to $15 million, and there was no bottom in sight.

If you took a drive down Highway 2 along the Lake Ontario shoreline in the summer of 1981, making pit stops in all the small port towns on the way, you would see marina after marina, increasingly filled with white hull sailboats, a signal sign of success of the industry. But success is always about the past, the question is what comes next. Were the marinas truly growing, and would they keep growing indefinitely, or were they actually filling up, and if so, would they reach a point where every buyer who wanted a boat would have one. Cars were built on the concept of hard use and steady wear until replacement was necessary, usually this point was reached at about 125,000 miles, or 179,000 kilometers. Fibreglass boat hulls were durable, their engines less so, and after 1200-1500 hours (usually less), they needed to be replaced or undergo a complete rebuild, usually a complete boat replacement was more economical. But a fibreglass sailboat was extremely durable, as long as the hull was kept up with UV protectant polish it would last for decades. You also had to scrub the crud and zebra mussels off the hull when it was taken out, but this was really just an October Saturday of labour and then you were all ready for next spring launching. The Dacron sails would only be exposed to water and sun when they were up, at the end of the day, they were taken down. Granted their engines needed maintenance, my old boss at work had a 9.9 Honda outboard that seemed to need almost constant repairs, but this was a small annoyance relative to the bank account-burning costs of a malfunctioning I/O drive. At the time there were 22 or more active sailboat factories operating in Ontario alone, in addition to the big three of CS, C&C Yachts and Hinterhoeller. There was still an active market, but was anybody actually making money, or enough money to justify the risk?

Hinterhoeller: Life after C & C

Hinterhoeller Nonsuch 26 steering station Photo Adam Hunt

By the early 1980's Hinterhoeller began to feel the pressure to bring out a new model line. The original boats, including the bread-and-butter Nonsuch 30, were still selling. Ultimately 1,080 would roll off the line, but there was a generally agreed four-year period between model changes and by 1983 the company was already overdue. The Nonsuch 26 came out in 1981, and was well received, with one reviewer stating

"...the Nonsuch 26 is much easier to sail short-handed than the average sailboat, and that it probably has as much interior room as many 30 footers"

Hinterhoeller Nonsuch 26 at the marina slip Photo Adam Hunt

Which meant that it probably began to chew into Nonsuch 30 sales, rather than building a new market. A model known as the Niagara 35 Encore appeared in 1984, it was identical in every respect to the earlier Niagara 35 from 1978, including Mark Ellis once again as the designer. It appeared that Ellis simply re-ran his old blueprints. An even bigger Nonsuch, the 36, came out in 1983, along with the biggest of all, the Niagara 42, at 22,000 pounds displacement the same weight as the Grand Slam earthquake bomb from the Second World War. On the opposite end was the Nonsuch 22 at 5,000 lbs displacement, which might have been the only potentially trailerable boat Hinterhoeller would build, but the for the fact the keel did not retract. The original 1970’s line of Nonsuch 30 and Niagara’s 26, 31 and 35 had sold over 1600 units, the 1980’s line of Nonsuch 22, 26 and 36 and Niagara 42 would go on to sell 200 units at most. Hinterhoeller admitted the market was changing and in 1986 transferred the production of most

of the models to Halman Manufacturing in Beamsville, although he retained the trademark and the brand. He did keep some limited manufacturing capacity, and his last stand was the Nonsuch 33, the last (almost) of the Nonsuch big catboat line. The Nonsuch 33 came out in 1988, and 67 units would ultimately be built, but not with George Hinterhoeller. He sold his interest in the company and retired in 1988. Hinterhoeller Yachts continued to rattle around, going from one owner to another and eventually shrinking until almost nothing was left.

By the late 1980's the used yacht market was growing way faster than the new yacht industry. The only place that had and continues to have yacht turnover is Florida the southern Atlantic coastline; in this case the turnover is literal as hurricane after hurricane picks up both small and large boats alike, flips and then smashes them on the shore, or on jetties, or rocks, or even a passing car. In Miami, disposing of weather trashed boats is a career. Once the hull is compromised, even above the waterline, it's a write-off. Even though the harsh interest rates had cooled inflation the Canadian economy remained in the doldrums throughout the decade, commodity prices remained low, oil exploration had stopped, the East Coast fishing industry was in trouble with declining fish stocks. Hundreds of factories in Ontario existed only because of tariffs. The kids who had come of age in the 50's to the 70's were doing well, the 80's kids, (the author's generation), who might have provided a new cohort of boat buyers, couldn't even find a job internship; in Ottawa as a young person your employment choices were security guard or restaurant waiter. The government cancelled the manufacturers sales tax and dropped (almost) all border tariffs. The result was the Goods and Services Tax and Free Trade; the effect was the Progressive Conservative electoral meltdown to two seats in the 1993 election. The tariff factories, most of which were located near the St. Lawrence River or the Great Lakes where the sailboat marinas were mostly located, closed down.

Dan Spurr had noted that the failure of the industry was due to a lack of "obsolescence" built into the boats. I think the issue was more of a lack of innovation. There's only so much you can with the sails themselves, you are dealing with a technology perfected by the Phoenicians two thousand years ago. Granted, some of the modern super-catamarans with their rigid sail systems and use of hydrofoil blades can reach crazy speeds of close to 30-40 knots (the fastest of all is the Sailrocket, a bizarre craft with the sail on the outrigger and the hull equipped with a hydrofoil that in 2016 reached a face-burning 65 knots). But this is hot-rodding for wind enthusiasts, the real business is down to earth, or in this case down to water cruising, and that is where failure lies. I don't think any of the builders ever did a serious assessment of what sailboat owners actually do with their boat once they buy it. Many use it as a summer cottage or

more accurately a waterborne RV, a place on the water where they can relax, cook lunch over a barbeque, entertain friends or just lie out in the sun. Many use the engine to get out on the water, and then shut it off and float around with no effort to put up the sails and when evening approaches, start the engine once again and head back into the marina. Why the obsession with the little Yanmar, farting out black diesel smoke, or the 2 cycle outboards of the time, farting out blue oil-gas smoke. Why not a relatively cleaner 4-stroke? The 4 stroke 9.9 Honda solved some of there problems, but it was as heavy as a St. Bernard and no easy task to hoist off the awkwardly stern situated bracket when there was a problem, which there frequently was when you had a small aluminum boat engine pushing a six-ton displacement hull through the water. Why not consider a marine electric motor, modern versions of which were just coming into use in the early 90's, certainly something a little more congruent with the green ethos of sail power.

Hinterhoeller, Morch and Bruckmann were all from Northern Europe, where sailing culture is tied to Viking mythography, hard men joyfully facing deep waves, bitter cold and icy spray. Cuthbertson and Cassian came from the genteel world of Great Lakes sailing clubs, obsessing over arcane rules and expectations, the gentleman member coming down to the club on Sunday, going on the water for the afternoon and then back in again, fold the sails, secure the hull and then to the clubhouse for a brandy or scotch on the rocks. The average North American likes a challenge, but they also like their creature comforts, something often missing in cruising sailing craft. One new sailboat owner told me that he and his wife went for a weekend cruise in mid-May and were so chilled they couldn't sleep. But May is deceptive, often with summer-like hot days followed by wintry nights. Wouldn't some insulation in the cabin area be a good idea, some foam sprayed between the hull and interior wall and floor structure. But what about heat? Would some sort of onboard heating system not be such a bad idea; it would certainly extend the onboard vacation cruising period from May and possibly as far as early October. Most modern motor cruisers have onboard air conditioning, one has to consider the flip side, in July and August when the nights are hot and muggy. At best you can open up the deck hatch a little, otherwise there was no real airflow system, the window at best is a porthole, the bunks are usually no more than foam mattresses, acceptable for hard twenty- and thirty-year-olds, not so much for the less flexible and durable bodies of the fourty and fifty-year-olds who actually have the money to buy the boat. And in the even the weather turns wet, there's often no protection for the skipper, who has to stand at the wheel in the open (the CS 50 noted above has a sort of plastic tent for the skipper when things get rainy). Basically, if they wanted to keep their business they should have focused on a triad of equal importance, sailing, cruising, and comfort. But I suspect that they brought too much of their idealism to the work, sailing was to remain a pure communion of sailor, wind and boat, everything else was secondary. Did they really

understand what their customers wanted, or were they selling both themselves and the buyers an idea of something they should want? I don't want to seem too critical (more than usual) but I suggest next time you are in town near the water, particularly on a warm and sunny July Saturday in the early afternoon, head down to the local marina and see just how many boats are still in the slip. My guess is that there will be a hundred slips, there will be eighty boats still tied up, maybe nine or ten with anyone actually on board, often reading or scrolling or chatting with friends. If you look out onto the water, say Lake Ontario from Toronto Harbourfront, you will see maybe 11 or 12 boats at full sail, they are probably from several marinas. There will be another twenty-five or thirty boats on land, still with last winter's shrink wrap on, or perhaps from the winter before last, or even before that. But the idea of changing the formula or altering it was brushed aside; the yacht builders kept building the same boat, over and over and over again until the market finally gagged, put up its hands and said, no more.

After the decline, came the fall. The final phase of the story after 1987 was a depressing series of purchases, sales, shuffles, shutdowns, bankruptcies, and disasters. The casualty list was impressive. Over 1987 to 1989, Bayfield Boat Yard, Huromic Metal Industries and Vandestadt and McGruer, Nye Yachts, Ouyang Boat Works, and Sirocco Boatworks and Fibreglass. By 1992, there was another fatal wave. After CS, trailer-sailer specialists Diller & Schwill went next; They had brought out a 24-foot cruiser model, the largest of the line 1988, but it did not stave off the inevitable. The factory shop is still there, at the end of Factory Street in Odessa. Two different time views from Google Street View show a solitary car parked in front of the building, but there was no sign of habitation when I drove past this spring. Then it was the turn of EXE Fibercraft, Halman Manufacturing, Hughes/North Star/Aura Yachts, Skene, the only builder in Ottawa and finally, J. J. Taylor itself, having been in business for almost 90 continuous years, had long since sold it's iconic waterfront location in and moved to an industrial park in Rexdale. Bannister tried to branch out into other fibreglass work and landed a contract to build a series of comic fan sculptures at a baseball game; it is now on display at Rogers Centre. But there were no further contracts for boats, public art, or anything else, and J. J. Taylor closed for good in 1993. Allan Nye Scott, the man who had revived Taylor back in the early 1970's had seen the end coming and had relocated to a cheaper spot north of Belleville and by 1988 had transitioned out of building to repair and restorations. He sold the company, and the new owner kept it going for a few more years before it closed in 1992.

A number of rich enthusiasts tried to keep at least some of the larger and more storied businesses alive, like children trying to fix broken toys with bits and pieces from other toys. They merged companies, took over management, financed new models and then sold them to

other true believers when their plans went bust. Strategic Associates is currently listed as a consulting firm based in New York, whether they anything to do with Hinterhoeller Yachts is anyone's guess, but they were listed as the owner in the late 1980's. Halman had continued building contract boats for Hinterhoeller Yachts Ltd. as well as it's own product line until it closed in 1993.

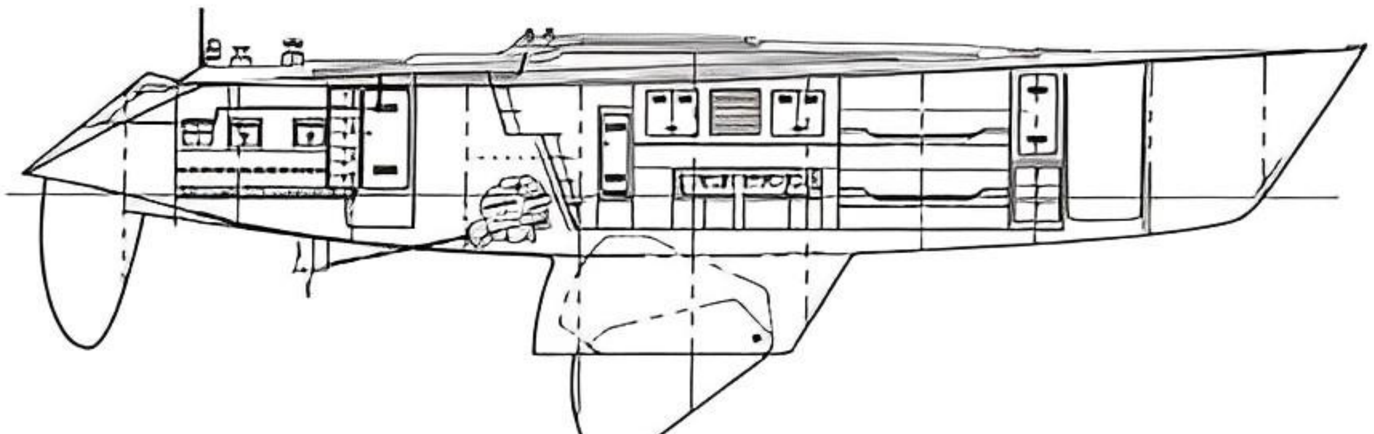
Dolce Vita The C & C 37/40 was a mainstay product during the decline years of the late 1980's Photo Ken Heaton

The plan to get C & C back on track had not gone well. With both the Middletown plant and the custom shop gone, the company's sole manufacturing hub was the Niagara plant and even with that sales were falling dramatically. After an internal audit, Rose was replaced by Mutual Trust vice-president Robert Steubing. I don't think Steubing had any illusions about being a sailboat industry expert, I think his principal ambition was to correct the financial and internal control problems and put the company into some degree of order. Order there may have been, but losses continued to mount to the point where C & C missed the 1990 Toronto International Boat Show, for the first time since its founding in 1969. C & C had been piling up more and more debt over the years, it already had $4.4 million in loans from the Royal Bank upon which interest was being paid, and $2.5 million in loans from it's principal investor Mutual Trust, on which interest was not being paid. A further $2.5 million was advanced by Mutual backed by a note from the Bank of Montreal. Effectively C & C had $10m of debt at prime + 1 which at the time had hit a high of 13.75% plus that 1% or more, given the risk, so interest rates at the time would have been $1,500,000 a year, contrast that with 1981 when they were $335,000 a year, with considerably higher sales. At that point sales were now under $15m annually. It was impossible to go on, and the company was placed in receivership once again in September of that year, with sales and production steadily shrinking, while the receivers tried to find a buyer and after two more years of this living corporate death, they were ready to hand it over anyone with any sort of vision. 1990-1 were the years of the big bust, the collapse of the commercial property boom, followed by the collapse of the residential property boom, and with it a ton of high paying jobs in Toronto, the very people who tended to buy expensive yachts were now struggling to pay their house and car loans.

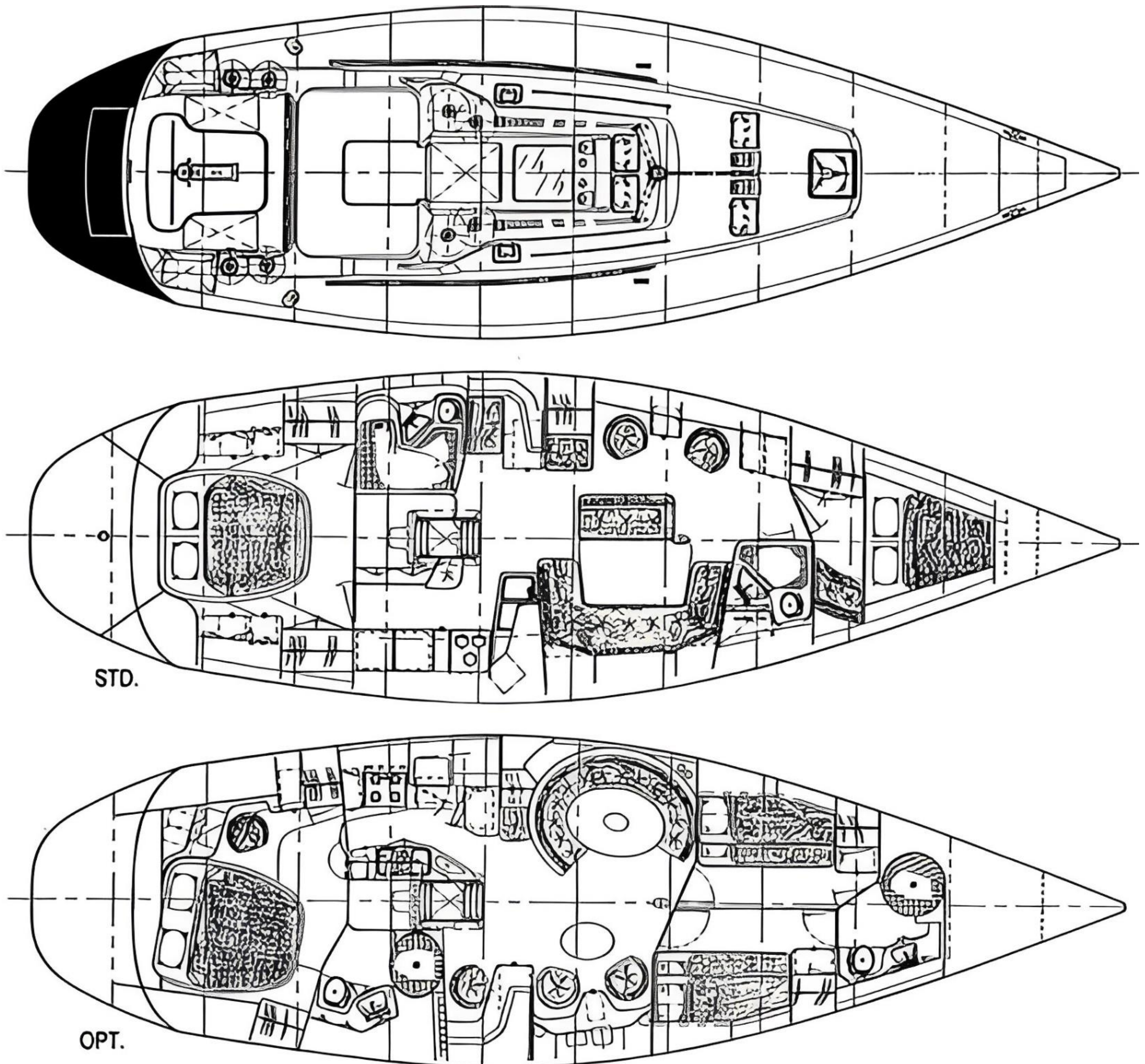
An angel investor came from an unlikely source. In 1992 Hong Kong based Frank Chao, whose father had built the Wa Kwong Shipping line into the fifth largest in the world, decided he needed a project other than buying and sending giant container carriers around the globe and decided to use a small part of the family fortune to revive a little Canadian boatbuilder. C & C Yachts Limited was liquidated and it's assets were sold to a new entity called C & C Yachts International Ltd. By March 1994, the factory was, as has been noted on the Wikipedia page "running at full capacity", but was it? In 1993, the company had the 37/40 series, the SR series, and the 51, introduced in 1993. Based on a hull number search database (part from an uncredited online summary, partly the author) here is the reconstructed production over 1988-

1994:

Build Year	37R (37/40 R)	37+ (37/40+ & 37/40 XL)	51	SR	Total
1989	10	39			49
1990	7	30			37
1991	0	5			5
1992	0	0			0
1993	1	8	5	22	36
1994	0	3	3	2	8



Line plan of the C & C 51 Custom, with its retractable keel inside a fixed keel. Photo detail Sailboatdata.com



C & C 51 The standard and optional interior, the latter more asymmetric Photo detail Sailboatdata.com

The 51 was the big boat, custom meant that there were two interior configurations available the customer could pick from. The 37/40 series was launched in 1988, with some production success in 1989 and 1990. The numbers speak for themselves, the receivership in 1990 was

followed by a complete production shutdown and plant idling in early 1991, only coming back as a much smaller operation in 1993. Full capacity depends on how much space, raw materials, staff, and production you are employing the term is pretty relative. I suspect most of the production staff were laid off in 1991, while the receivers were casting about for new ownership, so 1993 was at best an honest attempt to get the business back up and moving again. The 51 was not much of a seller, 5 were built, 3 more were in progress over 1993-4. 8 37/40's were built in 1993, but the best seller, so to speak were the racing sloops, the SR 21's, of which 22 were built. Overall, as near I can calculate, there were a total of 36 boats built in 1993. It was not a renaissance, or anything close to the "full capacity" the C & C plant had once known, but at least a sign of life and possibly an improving market given the overall gloom in the industry.

It did not last, there was a fire at the plant in the early hours of April 21, 1994. According to Toronto Star reporting, the loss was estimated at $2 million, with limited insurance coverage. Most of C & C molds were destroyed, along with three model 51's, but those were the only boat casualties mentioned at a time which should have been a full throttle production run-up to the spring customer rush. There is mention of a model 45 in the loss, but this is a mistake as this boat was designed as the IMS 45, and in the year 2000 and a C & C Yacht in name only. Fires in businesses are always under suspicion, even often when they shouldn't be, most often the issue is simple carelessness rather than felony; at any rate there's no point under-insuring yourself and then burning the place down on purpose. It's easy to see how fires start in a wood boat shop, but there is a hazard in fibreglass shops that isn't widely known. The epoxy resin for fibreglass construction is shipped in two parts, when they are mixed, there is a chemical reaction, and the reaction causes heat, and epoxy, as is the case with all petroleum-based derivatives, is very flammable. I burned the tips of my fingers on a little plastic cup I had used to mix resin in once, so this is no myth. As Gil Bibby, the former Grampian plant manager put it:

"One of the jobs that the foremen had, and I myself, every night after the workers left, we all waited around for about 30 minutes and it was our job to walk through the factory, through every building looking for bombs. A bomb is fibreglass resin in a tub left to dry. If you have ever watched one of these things go, a worker quite innocently is working on fibreglass, he's got a tub of resin, curing resin, and he's laminating on a boat doing the job he should. The bell goes and he cleans up. He leaves it sitting there and they literally burst into flame if left long enough. That's how come you lose a lot of fibreglass factories."

As of the date of the fire, C & C Yachts was effectively finished. There was still magic in the

name, and trademarks and brand name were sold to Fairport Yachts of Ohio, where a new line of yachts were designed by the company's house designer Tim Jackett as "C & C Yachts", but it was now an American product and no longer had any connection with Canada in manufacture or design. The C &C design shop had been more or less broken up in 1991, with Robert Ball leaving (or most likely being laid off) as there was nothing more to design. The age of the production sailboat was over, but there was still a business in custom work. Ironically as C & C was falling apart, Bruckmann Yachts came back to life under Erich Bruckmann's son Mark.

The long slide into oblivion

In the spring of 1994, insurance assessors poked through the remains of the C & C Yachts International plant to see what was lost, the owners to see what, if anything was salvageable. The fire destroyed part of the main production and warehouse facilities; 40 boat moulds, virtually the entire production model history of the company (and the pre-1969 predecessors) went up in smoke. The fact that there were only three boats, all luxury model 51's destroyed infers the dire work-in-progress situation; little was being built, even for the late spring season when the new customers start showing up. The company records, stored in the warehouse, were also destroyed, although it appeared that the office building was spared. 4, possibly 5 moulds survived. The "tooling" for the C & C 35 apparently survived, but it is not clear if any of the moulds for that model did, at any rate, it was no longer being made.

By the mid 1990's, many former boat plants were emptying out or being repurposed for new non-boat related businesses. The collapse of the yacht manufacturing industry in Ontario over 1987-1994 was not absolute; the principal victim of this was mass production. Most of the sailboat builders were set up for mass production and when sales slowed to a certain point, this was no longer a viable business model, but they were simply too heavily invested in high volume process to change course; most had big plants and a large staff, such as the 100,000 square foot CS Yachts operation in Brampton. The custom builders had smaller shops and small staff and at least some flexibility to shrink and grow as the industry metrics changed.

In 1986, Hinterhoeller Yachts had restructured itself, and licensed the production of most of its models to Halman Manufacturing Co. Ltd., retaining only a few boats to be made at the Keefer Road plant in Niagara on the Lake. Halman was a general fibreglass products manufacturer with a plant in Beamsville. They had been in business since 1978, and had built a few sailboats under their name, starting off with the Family Cat 23 and the Nordic Halman 20. Under Richard

Navin, the company had bought out the short-lived EXE Fibercraft, which had made the Nordica line and continued the models under the Halman badge. It should be noted that in Canada trademarks can be perpetual, if the trademark holder wishes them to be so, they are required to renew the trademark every 10 years. If they do not, the trademark moves into the public domain and cannot be bought back.

In 1989, Hinterhoeller Yachts Ltd. was placed into receivership. George Hinterhoeller himself had, as he said, “closed his toolbox for the last time”, and left the company the previous year. He was well aware of the critical state of the sailboat market and his successor had no solution to deal with the falling sales. A New York consulting firm known as Strategic Associates bought the company. Strategic Associates was primarily in the advice business, focusing on manufacturing and supply chain management and had decided to put it’s expertise into practice. The most obvious industry problem (other than the sales issue) was excess capacity; there was just too much plant space. Entrepreneurs are perennial optimists; they assumed that a sales downturn in any business was always temporary and that eventually things would recover. The new concept at the time was outsourcing, where aspects of a business previously carried on inside that business would be contracted to a third party. An ad for the Shark 24 in the late 1980’s/early 1990’s notes the manufacturer as Halman and the designer as George Hinterhoeller, but there is no mention of Hinterhoeller Yachts. I suspect that Hinterhoeller Yachts had been reconfigured as a pure intellectual property holding company, receiving royalties on trademarks and designs but no longer active with staff and production facilities. The Keefer Road plant was closed. At best guess (industry experts) Halman made about 100 Hinterhoeller boats during the contract arrangement, then Halman itself, caught up in the cratering early 1990’s economy, went under in 1993. The owners of Hinterhoeller Yachts tried one last stand to salvage the company: Mark Ellis was called back to design the Nonsuch 324, which was to go into production in 1994. Ironically the plan was to switch the manufacturing subcontract to the apparently revived C & C Yachts, now C & C Yachts International under the Chao family, partially restoring the original makeup of the early 1970’s company. One, maybe two 324 Nonsuch’s were made, where they were built is anyone’s guess, the February fire at the C & C plant put an end to any such program. There were no Hinterhoeller boats in the product casualty list, only the three C & C 51’s.

Hinterhoeller Yachts still owned the mostly vacant St. Catharines factory on Keefer Street, and a decision was made to return to the old plant and restart, once more. But the owners had finally run out of willpower and eighteen months later, in November 1995, ceased any further activity. No effort was made to renew any of the Hinterhoeller trademarks in 1998, and such rights

expired. Hinterhoeller was no more, but the plant was still there, the tooling still inside, and someone was interested. George Hinterhoeller died in 2001.

It should be noted that the C & C plant was not completely destroyed by the fire. Physically the plant had four buildings, an office, a warehouse and two production lines in separate buildings, joined by a walkway. One production line burned, and that understandably was the active one. The problem was the loss of equipment and most of the boat moulds and plans; any rebuild would require recreating the moulds for the intended production, although at that time the models that were moving were the 51, the 21 racer and a few 37/40's. A decision was made that rebuilding the business was not feasible, the official reason was that it was too expensive, and the insurance proceeds were not enough, the more likely reason was that the brand-new mid-range sailboat market was very dead and even if they could start building again, who would buy the product. The factory was officially closed (there was no evidence of any active operations since the fire, at any rate) in August 1996. Frank Chao purchased the trademarks and a surviving mould and tooling for the popular C & C 36 for $500-750k and shipped it to Hong Kong; the property was sold to a hotel chain. The remaining buildings were demolished, and one can see on the Google Maps date rewind from 2009 a vacant yard with only the concrete floors of the building visible. Chao changed his mind on a possible reboot in China and decided to license the C & C IP to Tartan Yachts, operating out of Fairport, Ohio, actually a waterside suburb of the city of Cleveland on Lake Erie.

I don't want to get too much into the American C & C Yachts, as this is primarily about Canadian boats built into Ontario. But it is striking that the brand name along had sufficient industry power that it was coveted as the foundation for a new boat line. The general theory of the merger was that Tartan Yachts would focus strictly on cruising sailing and C & C would emphasize its historical brand of racer-cruisers, a sailboat that could do both, to some degree (racing by the 1990's had separated into local friendly events and the serious mega-money offshore contests, with professional crews and billionaire sponsors, about where it was in the 1890's). The C & C America reboot started with the 100 series, designed by Tartan's in-house designer, Tim Jackett.

The first off the drawing board and out of the factory in 1999 were the 110 and the 121. The 110 was 31 feet at the waterline and the 121 was 36 feet. 27 110's were made, probably somewhat fewer 121's. The 110 was replaced by the 99 in 2002 (the lower number is something of a head scratcher, usually you want a higher number to sell the idea of progress). The 115 replaced the 121 in 2005. Another 36-footer, the 131 came out in 2008. Given that the smaller and more

affordable products are usually the better sellers and given the state of the industry over this period and the vast immovable blockage of high-quality used yacht inventory, I would be hard pressed to conclude that C & C America built many more sailboats that Myles Jeffrey built motorboats out of his one-man shop. Novis Marine, the holding company for Fairport/Tartan/C & C was sold to private equity firm Grand River Investments in 2008. The financial crisis later that year crushed Tartan/C & C, and they laid off almost all their 100 staff, retaining only five to help with continuity, mostly hoping for a sale to a new owner. What was left of Tartan/C & C was sold to Steve Malbasa, who ran a retirement funds investment firm. Malbasa only started sailing recreationally a few years earlier but became a fan and decided to see what he could do with a nearly extinct sailboat builder. C & C's last stand came in 2012, with the 101, a 32-footer designed by Jackett. Whether any models of this boat were built is not clear but was apparently reconfigured into the Tartan 101. After that the story became even fuzzier. In 2013, apparently Malbasa licensed (sold?) Tartan and C & C to U. S. Watercraft, part of the Waterline Systems group, makers of commercial boats. Tartan was sold (?) to Jackett and Rob Fuller in 2016, articles on Jackett in 2024 are roundly vague about his recent involvement with Tartan; he was "rehired" in 2019 to work in the Tartan sales team for the launch of the Legacy line. Thanks to the articles published on this topic I know way more about Jackett's heart attack than his ownership interest or actual position with Tartan. However it is clear that C & C or whatever was left of it had split off from Tartan and became a division, at least in principle of Watercraft/Waterline. In 2017 U. S. Watercraft, noted as "maker of C & C Yachts" among others, went into receivership. A post on Facebook's C & C Yachts page in 2019 by Waterline announced that they would be providing parts and service for C & C Yachts owners. But Waterline Systems' thin website offers custom part fabrication services, and there is no mention of C & C at all; the stated location at 270 Hogan Road in Hubert, North Carolina, is currently occupied by Winter Custom Yachts, which is exclusively for motorboats and does not mention C & C either. Online information for Waterline shows a red tagline "Permanently Closed". For those C & C yachts owners looking for some kind of contact, parts, service or information, my best assessment of the current corporate situation is that there isn't one. It has simply vanished into the historical ether.

1