

THE GOLDEN AGE OF SAILBOAT PRODUCTION

Many years ago, when we were starting our business, the Los Angeles basin was an industrial powerhouse. We had all the big aircraft companies, giant auto assembly plants, tire companies, massive shipyards, and the early high-tech aerospace industries. We even had some really big steel mills, with giant Bessemer blast furnaces.

With very few exceptions, they are all gone and the air is clean again.

The basis of the collapse was the fact that the Los Angeles basin had the lowest average wind speed of any major city on earth. The surrounding mountains trapped the contaminated air, and the results were horrible. Major heavy industry simply could not survive here.

With the decline of heavy industry, the area's smog has been really reduced.

While the Los Angeles area was collapsing, the sailboat building industry in our local area was going crazy. More sailboats were being built here than anywhere else on earth. The industry employed many thousands of workers. Company names included MacGregor, Columbia, Cal boats, Erickson, Islander, Clipper Marine, Westsail, American Mariner, Newport boats, and Aquarius. Catalina was nearby to the north and Hobie cat was a short distance down the coast. Glasspar, and Luhrs (powerboat builders) were nearby. We are among the very few successful survivors.

Starting in the 60s sailboats were produced in mass to fill a huge market with replacement for thousands of high maintenance, rotting and grossly obsolete wooden boats. It was a massive replacement of an outmoded technology with an all new and vastly superior technology, fiberglass. The fleet of wooden boats, for the part, disappeared rapidly. Fiberglass really made boat ownership possible and practical. We would see the same thing today to cars if something magic would come along to make them last forever. Or if aircraft could be built at half the weight.

Nothing pleases me more than to see a competitor get bought up or merge with a big company. Their life expectancy from that point on, from the lessons of history, will be short.

I would rather take on General Motors as a competitor, rather than a motivated individual entrepreneur, such as Frank Butler of Catalina, Jack Jensen of Cal Boats, who were driven to succeed and tried to flatten their competition. With family owned businesses, their money, egos and pride are on the line.

The ones that continued with the original owners spend years honing their production lines, simplified and standardized their designs, and continued to expand, and, above all, kept their cost under control. All of the boats in their lines were similar, and it was not necessary to retrain workers as each different model came down the line.

Another group, led by Bill Lee, sprouted up in Santa Cruz, California. Lee, Olson and Moore all had similar philosophies, and learned from each other. The boats coming from that area all were similar, distinct and unique from those of Southern California. Oddly enough, the northern boats, where the weather was wretched and heavy, were ultra lights, with exotic flyweight (with vacuum bagged cores), while the Costa Mesa boats, where the winds were the lightest on earth, were characterized by heavy, solid and durable laminates, primarily of mat and woven roving.

At lunch time, the local restaurants were filled with boatbuilders, with drawings, financial plans and all the necessities of the industry spread all over the place. Streets were clogged with trucks hauling boats and tanks of

resin. After hours, it was even crazier. The bars were filled, and there were some memorable drunken bar fights. It looked like the wild west.

There were several firms in the local area that did nothing else but haul away all the boats that were built. Boat Transit and Kenosha often had 20 to 30 big rigs in their yards waiting to go all over the western hemisphere.

Harbors and marinas were being carved out of the California coastline at a rapid clip to take all of these new boats. The environmentalists were going crazy. They hated to see their coastline chewed up, but they liked sailboats. Big problem for them.

MacGregor, watching a desperate shortage of in-the-water moorings develop, bet everything on trailerable sailboats. It paid off. The company survived handsomely.

The Triton was considered to be the first large, successful fiberglass sailboat. But the fiberglass industry really began to fly in Costa Mesa. Glasspar, a builder of small runabouts, built a huge plant and worked out most of the early bugs in glass construction. The sailboat builders followed immediately behind. Even European companies, such as Volvo, came to see how the glass industry was developing, and to learn to use the material in cars.

It is one thing to compete with a company in a distant part of the country. It is quite another to compete with one across the street or just over the fence. The violent competition honed improvements and efficiencies at an amazing rate. What one company learned was captured by another in a matter of days, if not hours. The competition was fierce. No builders anywhere else could compete with the rapidly developing production powerhouse. It is the sailboat's equivalent to silicon valley, only more concentrated, intense and tough.

There was an amazing amount of camaraderie between the companies. Parties, baseball and football leagues, etc. MacGregor and Hobie put on the most memorable beach party of all time. It attracted about 400 people. Whole pigs were cooked in the sand, and massive fights broke out to determine who could get the good food. Booze flowed like rivers, a sound truck fell off a 100 foot cliff, and several good sized boats were sunk in the surf. It was epic.

Sensing money and profits, the unions, including the Teamsters, made a strong effort to unionize the boat plants. They were doomed to failure. It is one thing for a union to take on a big corporation, where their actions are dictated by committees, the need for public relations, and quite another to take on a bunch of independent, tough plant owners.

All the unions had in their arsenal was the threat of a strike. We were used to hiring away big hunks of other companies work force. For example, one of our competitors, trying to produce a trailerable sailboat similar to MacGregor's, hired away Macgregor's entire mold shop, at a substantial pay increase (90 workers). MacGregor was back in full production within a week. A strike could do no more harm than that. The unions knew that we could recover from just about anything, and they gave up. The carpenter's union did manage to organize Columbia.

The organizing attempts led to some interesting incidents: At MacGregor's, the Teamsters organized a great party for the workers. They had fun, and politely listened to some great speeches. The Teamsters failed to understand that most of the workers, who spoke only Spanish, didn't understand what was going on. On the Monday following the party, they thanked MacGregor's management for giving them such a great time. We politely accepted their thanks.

Another event I greatly enjoyed. At the height of the union organizing activity, a small group of my hippy type workers wanted to know what it would be like to be a Teamster. So we went out to the street in front of our plant,

flagged down trucks that might be carrying a Teamster. We found one, and invited the driver to come and tell our workers what would be like to be a Teamster. The first thing he said, pointing to his Teamster emblem on his shirt, was "to be a Teamster, you have to cut your hair, shave off your beards, get some better clothes and clean up". You can easily guess as to how that turned out.

The Teamsters had a way of looking like narcotics officers, a connection that our management didn't discourage. The rather hippy style workers made a big point of staying as far away from them as possible.

The 60's style hippies liked the idea of building sailboats, and made for some great workers, along with a large number of spanish speaking employees. Both groups flocked to the boat plants in great numbers. The plants that did the best developed clever tooling and systems that could effectively make use of their newcomer's talents.

One of MacGregor's neighbors, one of the sloppiest of all the boat builders, had such a fight going with the city, over the way they ran their plant, that they refused to allow fire department or city inspectors into the plant to see what was going on. The city responded by bringing in a hook and ladder firetruck, mounting an inspector on the ladder, and extending it thru an open window to get pictures, while the workers bombarded him with cans and scrap.

As a sidelight, their boats had a big tendency to sink. In one memorable event, in a joint promotion event with a large cola company, the photo boat sank, nearly drowning a bevy of lovely models. It seems the top of their centerboard trunk was too near the waterline, and the weight of the models sent the water over the top. The boat was taken out of production within months, and MacGregor took back a lot of its workers.

The oil crisis, created by the middle east oil embargo, drove resin prices off the map. Gasoline became virtually unobtainable, and many power builders, such as Reinell, leaped into the sailboat production, with somewhat silly results. The high resin prices drove many builders out of business, but the market stayed strong. The healthy builders were able to beg borrow, steal and bribe their way into resin, and kept going.

Several companies tried to set up plants in Mexico, and met with disaster. They ended up losing bundles, and gave it up.

The problem now is that no new technology has come along to make the original fiberglass boats obsolete, and make owners want to replace them

The end came swiftly and brutally.

The survivors were the family owned companies run by their founders. Many builders withered and died under the stewardship of the large companies that bought them.

Many, motivated by delusions of grandeur, built or bought giant factories in the toniest of neighborhoods, primarily the Irvine complex surrounding the Orange County airport. One builder went from a tiny plant in Capistrano to a 400,000 foot facility. Jensen went to a similar palace, under the control of Bangor Punta. Colombia, under Whittaker, moved into a huge plant. They suffered from the big investments and relocations, and caught hell from the residents of nearby high priced homes and other businesses.

There were new corporate managers, with different design ideas, and different sales and manufacturing philosophies, without the passion and drive of the original owners.

I doubt that sailing will ever again see another era like this.

There will never be a repeat of the Long Beach Sailboat Show, held at the Long Beach Convention center. 3 big halls were filled with sailboats, from all over the world. There were at least 500 sailboats. In the most recent show, now a show for both sail and power, MacGregor, Catalina and Shock had modest displays, and that was about it.

In the old shows, Catalina alone had more boats that can now be found in several boat shows.

Very few sailboat builders are left in California. Most have either folded or moved out of state. MacGregor was one of the few survivors. So, at the top of our game, with the world's best selling sailboat, and a financially strong company, we retired and became landlords.