



Clairtone's founders, Peter Munk (left) and David Gilmour, in 1963. "The boys," as they were often referred to back then, were a perfect team.

Peter Munk, David Gilmour, and  
the Memory of Clairtone

by **Nina Munk**

## I WAS

born under a falling star, in 1967, the year Clairtone Sound Corporation collapsed. My father remembers it as the worst year of his life. Clairtone was his first company, his "first love," he once called it nostalgically. Measured coldly in dollars and cents, it was his smallest and least successful company; yet nothing my father has done since then has affected him the way Clairtone did.

A few years ago, long after making a name for himself in the gold business, and decades after Clairtone had become little more than a quirky footnote in his career, he confessed to the *New York Times*: "Clairtone was the single most formative experience in my life because it was so traumatic."

But I'm getting ahead of myself. Once upon a time, for a short time, Clairtone Sound Corporation was one of Canada's most dazzling, most admired companies. It started in 1958 with four employees, \$3,000, and a cramped, makeshift factory at 26 Sable Street in a Toronto suburb. The initial idea was simple: to merge contemporary Scandinavian furniture design with the latest in high-fidelity equipment.

My father, then 30 and an electrical engineer, made custom hi-fi sets for wealthy clients. His friend and partner, David Harrison Gilmour, 26, had a small business importing Scandinavian flatware, ceramics, and glass. Together, and inspired by a basic 1950s Danish sideboard, they came up with their first hi-fi model—a long, low cabinet in oiled teak with sliding doors and tapered legs. It was good-looking and functional, and it was unlike anything being made in Canada back then. Fitted inside the wooden cabinet were a Dual 1004 turntable, a Granco tube chassis, and a pair of Coral speakers hidden behind plain, wheat-coloured broadcloth from Knoll International.



In 1958, Clairtone's 100-S won a National Design Council award. Peter Munk, left, with other winners: Court Noxon (Metalsmiths), John Stene (Brunswick Manufacturing), and Reinhold Koller (AKA Furniture).

In March 1959, less than four months after it was put into production, that first model, the 100-S, won a Design Award from the National Industrial Design Council. Other models followed, including the entry-level 400-S ("the Princess") and the luxurious 1000-S ("the Signature") with its wireless remote control. Then, almost overnight, it seemed, Clairtone's stereo consoles were everywhere.

"Everybody knew about Clairtone," my father would later boast to the columnist Joan Sutton. "The Prime Minister had one, and if the local truck driver didn't have one, he wanted one." Oscar Peterson, the legendary Canadian jazz pianist, officially endorsed Clairtone. Dizzy Gillespie and Frank Sinatra were avid fans. "Listen to Sinatra on Clairtone stereo. Sinatra does," was one of the company's most memorable tag lines.

During the company's first five years, between 1958 and 1963, production soared from 350 units a year to 25,000 units. The pace was incredible. That year, 1963, Clairtone was listed on the Toronto Stock Exchange. And nothing, nothing at all thrilled my father so much as seeing his upstart company listed alongside Canada's old guard, the Establishment: Massey-Ferguson, Algoma Steel, Canadian Pacific Railway, Abitibi Power & Paper, Falconbridge Nickel, Walker-Gooderham & Worts. "In those days, the TSE was as WASP a club as you can get—it was *it*," my father reminded me. "I was not only not WASP—I was Jewish, I was an immigrant, and I had an accent."

So great was demand for the company's products in the early 1960s that, for a time, at Simpson's department store in Toronto, one Clairtone hi-fi was sold every three hours. In those years, throughout the December rush, Clairtone's factory stayed open around the clock, with cabinetmakers and assembly line workers pushing out stereo consoles in time for Christmas. Keeping up with the orders was exhausting and exhilarating. "I worked 70- and 80-hour weeks," the company's former comptroller, David Pols, told me with pride, echoing other Clairtone employees I interviewed. "Sometimes, I recall, I worked all night."

Remarkably, back in the day when about the only things Canada exported were natural resources and tractors, half of Clairtone's stereos were being sold in the U.S., at "prestige accounts" like Abraham & Straus and Bloomingdale's in New York, Marshall Field's in Chicago, Halle Brothers in Cleveland, and J.L. Hudson's in Detroit. For a Canadian consumer product to be featured in the windows of Bloomingdale's was almost unimaginable—and yet, there it was.



Clairtone's first prototype, the monophonic 100-M of 1958 with a 20-watt, 15-tube amplifier from Granco, and a Dual turntable, never went into production. It was replaced by the stereophonic 100-S.

In 1959, when fashionable men, including my father and David Gilmour, still wore three-piece suits, an article in the *Globe and Mail* trumpeted Clairtone's success in the U.S. market: "Canadians would have popped a few buttons on their vests last week if they had attended the American Music Show in New York. A stereophonic set designed and manufactured by a Canadian company founded less than a year ago by two young Canadians was the centre of attraction.... This is perhaps the first time a piece of Canadian consumer-electronic equipment has aroused such enthusiasm in the U.S."

As for my father and David, they were hailed as visionaries. They were "everybody's darlings," in the words of the journalist Alexander "Sandy" Ross. "They were treated as movie magazines treated Rock Hudson, with awe-struck approval," another journalist recalled. "Peter Munk was probably one of the most admired young men in Canada, the closest thing to a hero the Canadian business community has produced in this generation," continued Ross. "Just contemplating the Clairtone phenomenon made us all feel smart and groovy and efficient, like the Scandinavians almost."

Even my father seemed awe-struck by his own success. "There was a year when I had 34 speaking engagements," he recalled wide-eyed on CBC's *the fifth estate* in 1978. "I stood there, at the age of 30, lecturing the stalwart, establishment members of the Canadian business community. I used to go home ... and pinch myself."

**MY** father has an innate sense of timing, almost a sixth sense. In 1965, when a reporter asked him to explain Clairtone's success, he remarked: "The idea was good. But the idea would have been completely lousy had it happened five years earlier or five years later."

Peter Munk Associates, Clairtone's predecessor, made custom hi-fi sets for wealthy Torontonians. The cabinetmaker George Weil, kneeling, would become one of Clairtone's first employees.





CLAIRTONE

bringing you new vistas of listening enjoyment  
through masterfully engineered  
high fidelity components

The cover of one of Clairtone's first brochures, designed by David Gilmour and starring his wife, Anna, on Toronto's Cherry Beach, 1958.

For one thing, in the late 1950s, the way people listened to music was changing. Transistors, stereophonic sound, long-playing records—all were being introduced or becoming popular just as Clairtone got into business. At the same time, the style we now call “Mid-Century Modern” became fashionable and a sign of educated good taste. Here and there, slowly, Canadians began replacing their bulky chesterfields and Victorian credenzas with furniture by Charles and Ray Eames, Eero Saarinen, Finn Juhl, and Hans Wegner, to name only a few of the international designers who left their mark on Canada.

By the late 1950s, in Toronto, a handful of shops were dedicated to modern Scandinavian design. Georg Jensen, on Bloor Street, was across the road from Shelagh's of Canada, whose owner, Shelagh Vansittart, was David Gilmour's older sister. Further south, on Bay Street, Avrom Isaacs opened his first art gallery in 1956. Before you knew it, a group of young Canadian abstract expressionists—Graham Coughtry, Michael Snow, Joyce Wieland, Gordon Rayner, Richard Gorman, William Ronald, and John Meredith—were stars in the Toronto sky. Meanwhile, the Finnish architect Viljo Revell won an international competition to design the new Toronto City Hall. Ludwig Mies van der Rohe, having just completed his Seagram Building in New York, began working on another modern icon, the Toronto-Dominion Centre.

Don't misunderstand me: Clairtone wasn't on the cutting-edge in the late '50s. My father and David thought of themselves as industrialists, not artists. That said, Clairtone's success rode in on the wave of modernism. Clairtone's 1960 annual report, printed in the era's colours of mustard yellow and avocado green, suggests how completely my father and David had embraced contemporary design. They trusted it.

Not many publicly traded companies in 1960 would have thought to hire Chris Yaneff to design their annual report; and yet Yaneff was only one of many innovative designers, graphic artists, and typographers who worked for Clairtone. Carl Dair, Hugh Spencer, Frank Davies, Anthony “Tony” Mann, Al Faux, and Burton Kramer: all of them played a role in shaping Clairtone's image—in crafting the company's products, logos, brochures, advertisements, and hang-tags, thereby creating a unified, “holistic” body of uncluttered work that still looks modern and relevant.

One of Chris Yaneff's best-known designs is the classic, minimalist, Windsor Salt box, a composition of blue and brown circles that for some



Attending Clairtone's factory opening in Rexdale, Ontario, in 1962, from left to right: Peter Munk, Nathan Phillips (mayor of Toronto), Robert Macauley (Ontario minister of Economic Development), and George Hees (federal minister of Trade and Commerce). Over on the far left is designer and “PR man” Chris Yaneff, who organized the event.



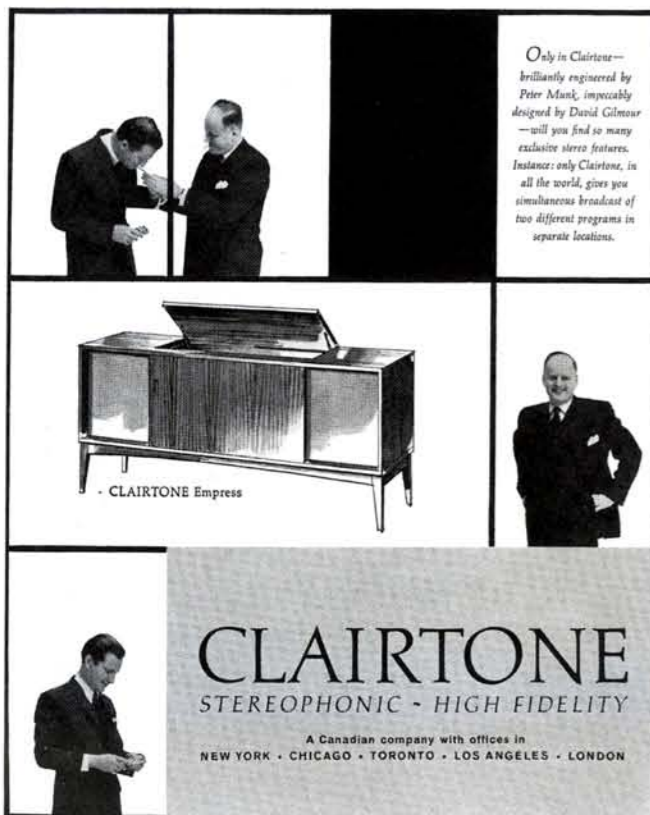
Munk with Gilmour, seated in the Egg chair. This look became the signature image of Clairtone's early marketing campaign, created by Dalton Camp and Chris Yaneff.

people recalls a painting by Piet Mondrian or Ellsworth Kelly. Yaneff's 1960 annual report for Clairtone is equally significant. On the cover is one small, isolated black-and-white image—a photograph of my father and David, both in dark suits with white pocket handkerchiefs, their black shoes polished to a high gloss.

No Clairtone product appears on the cover of that annual report. Instead, David is seated casually, confidently in Arne Jacobsen's classic Egg chair of 1958—black leather with a star-shaped aluminum base—engaged in conversation with my father. The Egg chair is there to define and identify the company, to suggest by association and a leap of imagination that a Clairtone stereo, like Jacobsen's Egg chair, is forward-thinking and timeless.

**DAVID** and my father also posed for a series of full-page advertisements, which promoted them as the “internationally-acclaimed creators of Clairtone stereophonic high fidelity units.” The ads ran in all the major Canadian and U.S. newspapers, as well as in the *New Yorker*, *Time*, and in playbills for Toronto's Royal Alexandra Theatre. Later, when Clairtone began making colour TV sets, David and my father starred in television commercials.

“Peter Munk and David Gilmour are very successful Canadians,” intones the voiceover in one Clairtone TV commercial, directed by the Canadian cinematographer Fritz Spiess. Seated in a restored 1936 Pierce-Arrow convertible, my father and David are shown driving leisurely across the Brooklyn Bridge into Manhattan, on their way to B. Altman's, the grand department store on lower Fifth Avenue, to deliver a Clairtone television



Only in Clairtone—brilliantly engineered by Peter Munk, impeccably designed by David Gilmour—will you find so many exclusive stereo features. Instance: only Clairtone, in all the world, gives you simultaneous broadcast of two different programs in separate locations.

CLAIRTONE Empress

An early example of Dalton Camp's award-winning campaign for Clairtone, showing the 600-S (the Empress), introduced in 1960. Camp played up the youth and bravado of Munk and Gilmour.

set. According to the 1967 production notes: "As men carry set through to entrance of store, as per board, Gilmore [sic] moves into frame and dusts top of set with hanky to make the whole action appear extremely important."

Today, in the era of YouTube, MySpace, Flickr, and Facebook, the art of self-promotion is hardly worth talking about. But 50 years ago, when understatement was still considered a virtue in Canada, my father's and David's showmanship was electrifying, and shameless.

"The boys," as they were often referred to back then, were a perfect team. David, pedigreed, tall, and lean, brought a refined taste and a touch of class to the operation. In Clairtone's ads, his signet ring is clearly visible, like a stage prop. He's identified as "David Gilmour, Designer," though in truth he was not so much a designer as a stylist.

By contrast, my father ("Peter Munk, Professional Engineer"), who was not especially lean in those days, is portrayed as the mastermind—the intense, brooding genius, the size of his head exaggerated by a receding hairline. He's often shown with a cigarette. If David was meant to appeal to female shoppers (and he was), my father played the sober engineer, deeply concerned with millivolts and megahertz.

Many of Clairtone's print advertisements were written by Dalton Camp, the masterful Canadian political strategist who died in 2002. Not surprisingly, Camp handled Clairtone's award-winning campaigns as though David and my father were running for office. "Messrs. Munk and Gilmour are so effective a team they have scored a remarkable international triumph," reads one of Camp's typical advertisements, its inflated prose suggesting that something more, something grander than a stereo is being sold. "Why has there been such acclaim? We invite you to see and hear Clairtone yourself. Note the purity of line, unmarred by gild or chrome embellishment, and—even more important—note the brilliant clarity of reproduction."

Interviewed for Garth Hopkins's 1978 book, *Clairtone: The Rise and Fall of a Business Empire*, Camp recalled: "Over the course of two or three meetings with Peter and David, I became so totally imbued with and dedicated to what they were trying to do, that I decided to handle the campaign myself....

"I sold them on the personalized and highly individualized marketing concept for Clairtone. That was relatively easy to see as the right thing to do, because both of them had always tended to sell themselves first and their concept or product second."

TO: Mr. Hugh Spencer  
FROM: Peter Munk  
November 4, 1963.  
Re: Company Stationery.

Thank you for your recent memorandum concerning requests for individualized company stationery.

The answer to any such requests must be in the negative. My instructions on this subject are that no one but the President of Clairtone Electronic Corporation and the President of Clairtone Sound Corporation Limited is to use anything but the regular Clairtone stationery. I think everyone should be proud of the distinctive design of this letterhead and I feel strongly that personal identification only detracts from the Clairtone name.

PM/C  
c.c. Messrs. Hahn, Pols, Berenyi, Cohen, Freeman.

MEMO TO: Mr. David Pale cc: Mr. P. Munk  
FROM: Hugh Spencer Mr. Z. Hahn  
DATE: December 31, 1963

SUBJECT: GENERAL ADVERTISING AND PROMOTION BUDGET 1964

This week we enter fiscal 1964 and, in absence of information to the contrary, I assume that I am responsible for the administration and application of the 1964 budget as above.

No discussion of the figures presented by myself for your consideration has been held. I would appreciate your formal acceptance of this budget and your clearly defined authority to purchase, under my own supervision, within the limits of my budget presentation for this Department.

HS/jb

MAR 3 1964

MEMORANDUM TO THE STAFF

FROM: Hugh Spencer  
DATE: March 3, 1964  
SUBJECT: CONFIDENTIAL WORK

The work carried out in the Advertising and Design Department is confidential. Considerable interest in the activities of this Company is held by our competitors.

The offices of the Design Department and the desks used by Anna Spencer should be regarded as areas that are not common ground.

You are particularly requested not to bring visitors to the Design Department without prior appointments and on no account may any member of the Company spend time in this Department without proper business.

HS/jb

CLAIRTONE INTER-OFFICE MEMORANDUM

CLAIRTONE SOUND CORPORATION LIMITED  
Toronto New York Chicago Los Angeles London

May 29, 1964

TO: Hugh Spencer  
FROM: Peter Munk  
RE: Re your memo of May 15th regarding Department Head Meetings.

It is this kind of memo that is one of the causes of tremendous inefficiencies in this Company, i.e. use of time, paper, typists' and executive time in reading them.

It would be appreciated if you would kindly confine your sentiments to verbal discussions with Management and Staff.

PM/JB

Hugh Spencer staked his claim to Clairtone's design department in a series of inter-office memos, some of which are shown here. His territorial ambitions were thwarted by Peter Munk.



David Gilmour (right) at the Los Angeles Design Center, with the building's architect, Richard Dorman.

**BRUCE** Mau, the respected Canadian designer and an admirer of Clairtone, suggests that my father and David viewed good design as a marketing gimmick, not a philosophy. He may have a point. After all, Clairtone's most-celebrated product, the Project G stereo, was originally conceived as an elaborate promotion, a kind of concept car that never goes into production. Introduced at the National Furniture Show in Chicago in January 1964, Project G was intended to give Clairtone an aura of futuristic cool. In other words, it was meant to promote the company's other, more prosaic hi-fi sets.

Initially, Clairtone planned to make only a handful of Project Gs. At some point, according to Clairtone documents catalogued at Design Exchange and at the Nova Scotia Archives, that number was increased to 150, then 400. Exactly how many Project Gs were actually made during the short time it was in production is not clear, but based on the information we have—and given the fact that Project G was impractical, expensive, and hard to produce—we can assume that no more than a few hundred were ever manufactured.

The whole idea behind Project G was to create a product with “cachet,” desirable but beyond the reach of most people. In the first place, it was priced at \$1,850, equal to about \$12,500 today; that's comparable to the cost of a small car in the 1960s, and it's more than twice the price of what was then Clairtone's most-expensive stereo. What's more, the G didn't look like any other hi-fi set. It was striking, and it was massive: nearly seven feet long (over two metres), it was too big for an ordinary living room. Then again, it wasn't designed for ordinary persons.

“Trend setters” were the target market for Project G, according to an internal company document from 1963. “It is these people who make new painters famous, who adopt new styles in furniture, who drive exotic cars, spend their holidays in never-before-heard-of places, wear new styles of clothing and acclaim musical creations before any one else has heard of them,” the document explains, knowingly. “It is a small and very elite group.”

To make Project G an object of desire, Clairtone hired Irving Penn to photograph Project G the way he'd photograph a seven-foot-tall fashion model. Then the company spent even more money on 25,000 promotional booklets, distributed to all the best-known designers, architects, decorators, and “qualified customers” in the U.S. and Canada.

A publicity shot photographed at 63 Woodlawn Avenue West in Toronto, a house designed in 1961 by the architect Jerome Markson for the author's parents, Peter and Linda Munk. Note Franco Albini's Margherita chair.



Modern and defiant, Project G was intended for “trend setters.”



In New York, Clairtone hired William Safire's well-known public relations firm to choreograph the launch of Project G in the United States. In Los Angeles, an agency specializing in product placement arranged for Project G to appear in *Marriage on the Rocks*, the 1965 comedy starring Frank Sinatra and Deborah Kerr, and in *I'll Take Sweden*, with Frankie Avalon and Tuesday Weld. One after another, like bait, photographs of Hollywood celebrities posing with Project G were released to the media.

So carefully managed was the introduction of Project G that David Gilmour himself composed an eight-page guide advising Clairtone's sales reps on the finer points of eliciting free publicity. Point number C.2(f) warned them: “You may have to stage a ‘publicity stunt’ (a term you shouldn't use outside the Clairtone family).”

**HUGH** Spencer started designing Project G in 1962, he recalled in an interview with *Marketing* magazine. As he explained, my father had simply asked him to “design something ‘way out’ for next year.”

Spencer's first maquette was a small wooden box with two tennis balls attached, one on either end. Even on that scale, the design was radical. The speakers weren't only outside the cabinet, they were round. Who had ever seen round speakers?

Recently, I asked my father and David if they remembered the first time they saw Spencer's model of the G. “I remember the day,” said David. “We saw these two round tennis balls...”

“Mind-blowing,” interrupted my father.

“We said ‘This is it,’” continued David. “We fell in love with it the instant we saw it.”



In a major coup for Clairtone, Project G was included in the June 1964 issue of *Playboy*. Stan Freeman, a Clairtone sales executive, delivered a Project G to Hugh Hefner at the Playboy Mansion: "Hefner loved it, and agreed to feature it in his magazine and play it during his parties."

"We had no doubt we'd discovered the new shape of sound," said my father.

By the time Project G actually went into production, dozens of improvements had been made to Spencer's original design. For example, because David thought the original cabinet looked like a coffin, he wanted the sides to be tapered. And while Spencer wanted to use teak for the cabinet, George Weil, Clairtone's head cabinetmaker, pushed for rosewood instead ("I thought teak looked too plain," explained Weil). Other changes were made: for example, a clear plastic lid was replaced by a wooden tambour roll-top; real leather side panels were replaced by leatherette; and the scale of the cabinet was altered to accommodate the stereo components.

The end result, the final Project G, is now a design icon: modern and cool and defiant. In some respects, it suggests Charles and Ray Eames's luxurious rosewood-and-black-leather lounge chair of 1956, famously described by Charles Eames as having "the warm receptive look of a well-worn first baseman's mitt." With its aggressive black aluminum spheres, Project G may be more outrageous than the Eames chair; certainly it's less receptive.

In all events, from the moment it was released to the public in 1964, Project G was praised by critics, by the media, and by "trend setters." That year, 1964, Project G won a silver medal for excellence in design at the Milan Triennale. Oscar Peterson affirmed publicly that his music sounded as good on a Project G as it did live. And Hugh Hefner, no stranger to objects of desire, acquired a Project G for the Playboy Mansion.

Project G epitomized the Swinging Sixties, as defined by Hefner. *Playboy's* June 1964 issue, featuring "Gifts for Dads and Grads," showed Project G alongside other masculine status symbols: Børge Mogensen's oak-and-leather Spanish chair; a Mark Cross cigarette lighter with "trigger-action release"; the new Ford Mustang convertible (with white-wall tires); and High Standard's Supermatic Trophy .22 target pistol.

Even after Clairtone's P.R. department had been disbanded, Project G and its successor, the G2, continued to appear in movies and TV shows. In 1967, for example, the G2 appeared in *The Graduate*, with Dustin Hoffman and Anne Bancroft. Most recently, in 2006, it showed up in *Invincible*, an otherwise tedious film starring Mark Wahlberg. Among collectors, the G series has taken on a cult status.

Project G's designer, Hugh Spencer, moved from England to Canada in



A G2 with Greg Kinnear and Paige Turco in *Invincible* (Walt Disney Pictures, 2006).

1956 and worked with Clairtone from the beginning. In the late 1950s, his name appears on an early accounts payable list for Peter Munk Associates, my father's custom hi-fi company, Clairtone's predecessor. Spencer's first big job for Clairtone was creating its elegant arrow-like logo in 1961—a simple, asymmetrical white arrow set on a black background, and later updated by the graphic designers Frank Davies and Burton Kramer.

Spencer was a great talent; everyone I've spoken to acknowledges that much. At the same time, he was hard to work with: touchy, hotheaded, and often grandiose. "It took the patience of Job to work with him," is all David Gilmour would tell me about Spencer (on the record, that is). George Weil, Clairtone's head cabinetmaker, sighed when I asked about his work with Spencer: "Oh, we had some fights, I can tell you that." According to my father: "Hugh was temperamental. He would sulk."

For all that, my father never lost sight of Spencer's genius as a product designer. "I needed Hugh Spencer," he explained to me. "I couldn't afford to lose him."

**WHAT** very few people know is that by 1964, the year Project G was launched, Clairtone was desperate for its next big act. For all the razzle-dazzle—the award-winning advertising campaigns, the celebrity endorsements, the media coverage—Clairtone was losing momentum. Sales, while still impressive, weren't growing as quickly as my father and David had anticipated. Profit margins were falling. Internally, people grumbled about the huge sums being spent on advertising and marketing; more to the point, they wondered if all the advertising and marketing campaigns were really effective. Meanwhile, as attested by a stack of angry



Tuesday Weld and Project G, 1965.

letters held in the Nova Scotia Archives, Clairtone was threatening to sue its largest supplier, General Instrument of Canada.

Some of the company's biggest problems were south of the border. Portrayed publicly as the engine of Clairtone's glorious future, business in the U.S. was actually veering off track. In a four-page, single-spaced letter, dated October 18, 1963, my father scolds David (who was then running Clairtone's U.S. subsidiary) for the sudden sharp drop in U.S. sales. Separately, in a confidential memo to my father, Clairtone's chief financial officer, Zigmund Hahn, advises that "emergency measures" are needed: "I do not need to remind you that the U.S. market organization from the beginning was distinguished by a series of indecisions, compromised policies and inadequate personnel." No wonder the launch of Project G, especially in the U.S., took on such urgency inside the company. No wonder Hugh Spencer became invaluable.

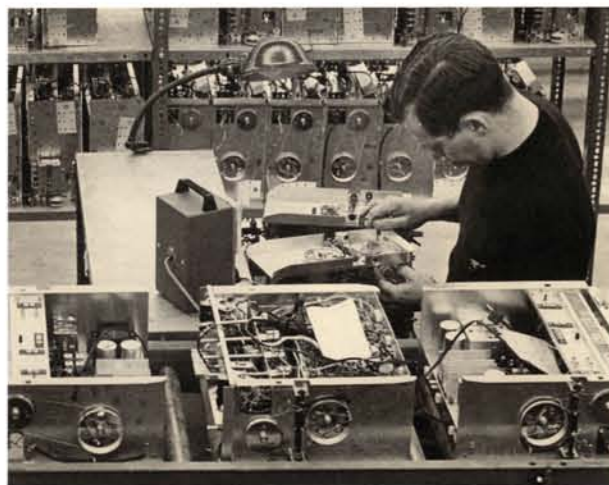
Something else: Clairtone was desperately, recklessly short of cash. It's hard to convey just how difficult it was to raise capital back then. There were no angel investors in Canada. No incubator funds or venture capitalists were knocking at Clairtone's door, and no one used credit cards to fund start-ups.

In 1957, my father got into business the old-fashioned way: his father-in-law, my grandfather William Jay Gutterson, gave him \$3,000 of capital. Later, in the early days of Clairtone, David Gilmour kept the company going by taking out a mortgage on his house. When more capital was needed in 1960, Irving Gould, a Toronto financier, raised \$250,000 for Clairtone by selling 12 per cent of the company on the unlisted, or over-the-counter market.

But the bigger Clairtone became, the more money it needed, until, finally, my father's chief preoccupation was finding ways to keep the company solvent, to save it from one financial crisis after another. "It was an impossible situation," my father remembered. "I was down at the banks every day. But the banks were tough as hell with young companies. I couldn't even get short-term money. It was impossible. Yet if we'd stopped growing, we wouldn't have been able to stay ahead; we'd have killed ourselves. It was an impossible, an absolutely impossible situation."

By 1964, in what would seem to be counterintuitive thinking, my father concluded that the only way to break the double-bind was to get bigger faster. Reasoning that the RCA Victors and Magnavoxes of the world did not struggle with day-by-day cash flow problems, he decided to make Clairtone

A chartered plane brought important customers to Stellarton, Nova Scotia, for the factory opening.



The assembly line in Stellarton.

an industrial giant. And that in turn meant building a huge modern factory to bring every part of the manufacturing process, from the cabinets to the electronic components, in-house and under one roof. Of course there was one great problem: If Clairtone could barely fund its day-by-day operations, what were its chances of financing an \$8-million factory?

**THERE'S** something you should know about my father: the more impossible the situation, the more single-minded he becomes. "He's always crossing the Rhine," as my mother puts it, by which she means that my father operates best on the offensive, in an assault boat, as it were, fighting a hostile takeover, challenging a board of directors, and plotting his next move.

George Weil, who worked for my father between 1957 and 1968, remembers flying with him in a small, single-engine prop plane to visit Clairtone's cabinet plant in Strathroy, Ontario. "I'll never forget that flight," Weil told me. "We flew into a severe thunderstorm and the pilot said, 'We have to turn around.' But Peter Munk said, 'What kind of pilot are you? Keep going!' He was insistent. I'll never forget it." The pilot continued on course.

In 1964, when his dreams of building Clairtone into an industrial giant seemed far-fetched, even ludicrous, my father convinced the government of Nova Scotia to build him his factory. For both parties it was a matter of self-preservation: Clairtone would get \$8 million of (almost) free money in exchange for the small price of moving its operations to the depressed backwater of Pictou County, Nova Scotia. "This arrangement is absolutely fantastic!" my father declared at a press conference announcing the deal. "I can't understand why more companies don't take advantage of it."

On June 21, 1966, in the presence of Robert Stanfield, the Premier of



Peter Munk delivers his famous (or infamous) speech at the opening of Clairtone's factory in Nova Scotia, June 21, 1966: "We shall be at the forefront of your industrial revolution!"

Nova Scotia, John Turner, the Federal Minister of Finance, and nearly 1,000 distinguished guests, including my parents and David Gilmour, the Clairtone factory opened officially. Stretched over seven acres, it was a marvel of high technology.

Every last detail of the factory was designed to improve quality and productivity. An automated dust-collection system took in air at the rate of 90,000-cubic-feet per minute. A miraculous seven-headed moulder, made in Germany, performed seven woodworking operations at once, including joining, moulding, sizing, fluting, and grooving. "It can take a piece of raw wood and produce a basically completed French provincial leg," marvelled one trade publication. Even the factory lighting contributed to worker efficiency; according to research cited by Clairtone, the new, intense bulbs had been "shown to increase productivity by eight percent, greatly reducing fatigue and cutting down errors."

At the opening ceremony, pipers piped. Residents of Stellarton, the town where the new factory was situated, cheered: they'd been promised at least 600 jobs to begin with, and up to 2,000 jobs in the bright future. In a mesmerizing speech that was broadcast right across Canada by the CBC, my father offered a heartfelt pledge to Premier Stanfield: "Sir, we will not let you down! We shall be at the forefront of your industrial revolution!"

**ASK** my father and David about the collapse of Clairtone, and you'll be told that the move to Nova Scotia killed their company. That's true as far as it goes, but it may be more accurate to say that Clairtone was undone by their tendency to overreach. "Munk was too good a salesman for his own good," to quote William Mingo, chief counsel for Nova Scotia's Industrial Estates Limited (IEL), the Crown corporation that funded Clairtone. "He could sell anything to anyone—including himself.... My, he was a promoter. My, he had energy. My, he had charm. My, he had imagination."

One thing is certain: Clairtone built one of the biggest, most modern factories in the Western hemisphere in a place entirely unsuited to manufacturing. "Stellarton's prospects were bleak even by Nova Scotian standards," writes Harry Bruce in his 1985 biography of the businessman Frank Sobey, who served as mayor of Stellarton and president of IEL. At one point, half of Stellarton's population had been "wholly dependent" on the coal





Clairtone's G-TV, introduced in 1966, in a typical interior of the time.

industry. Then the mines shut down. "Without mining, the town was like a movie house without a projector," writes Bruce.

By the time my father and David acknowledged the obvious, it was too late. "The general population is basically not geared to the manufacturing frenzy and especially the five-day workweek," reported an intensive study of the factory, quietly commissioned by Clairtone in 1967. "The welfare situation is such that it has created conditions similar to Appalachia in the United States where the third generation is already on relief."

The labour force in Stellarton was only one of Clairtone's problems. Nothing went smoothly, from all accounts. Cost controls were "nonexistent," according to the commissioned study. Roads leading to the factory were so bad that Clairtone's stereos and TVs were often damaged en route. Getting parts for the stereos, a task that at the old plant in Rexdale, Ontario, could be organized in a single day, took several weeks. As for the manufacturing process itself, Clairtone's inexperienced management team was over its head, and sinking: inventory went missing; unidentified parts accumulated on the factory floor; the assembly line seldom if ever ran at full speed or full capacity.

In the Clairtone archives, one memo after another foreshadows the catastrophe. "It is unbelievable and very disturbing to find that at this late date, when we are scheduled to complete 1,500 of the T-14 chassis, the flywheel assemblies have been delivered for only 550 chassis," reads one urgent note from Michael Chojnacki, Clairtone's vice president for manufacturing. "We are still unable to commence delivery of TV sets," reads another memo. "Instead, the very few G-TV's once again have been condemned due to electrical and mechanical problems."

By the summer of 1967, even my father was in a panic. "Chaos" is how he would later describe the situation, in his testimony before the Nova Scotia legislature in 1969. Instead of showing a profit for the year, there would be a huge and staggering loss. Anxious suppliers, figuring they'd never get paid by Clairtone, stopped shipping parts. The once-promising business of colour TV was a bust. And yet again, Clairtone was in dire financial straits.

Only a few months earlier, in late 1966, IEL had invested another \$3 million in Clairtone. This time round, however, not even the Nova Scotia government was willing to throw good money after bad. For months, relentlessly, my father tapped every connection he had to raise money for Clairtone. Through the brokerage firm W.E. Hutton & Co., he sold \$2 million



Detail from a Dalton Camp advertisement.

A G-TV with Peter Sellers and Claudine Longet in *The Party* (MGM, 1968).



worth of convertible debentures; to survive he needed more than that. He tried getting Clairtone listed on the American Stock Exchange. He also came close to selling Clairtone to the Singer Company, the giant U.S. conglomerate. Still, for all his ingenuity ... nothing.

There's something I haven't told you. Just at the moment when Clairtone's hi-fi and TV business most needed his attention, my father was chasing the next big thing: the automotive industry. In 1964, when very few North Americans had ever seen a Japanese car, he and a brilliant Australian, Pat Samuel, had bought control of Canadian Motor Industries (CMI), whose one asset was the exclusive right to assemble and sell Toyota and Isuzu cars in Canada. Depending on your point of view, that deal—a complicated manoeuvre that resulted in Clairtone's, and the Nova Scotia government's, brief ownership of CMI—is: (a) an example of my father's far-sightedness, or (b) an example of his recklessness.

One way or another, what matters in a book about Clairtone is that my father's short-lived ambition to become an automotive magnate hastened Clairtone's downfall. There simply wasn't enough money or managerial talent to go around. "I've never worked as hard as I did that year," my father told me recently, referring to the period between mid-1966 and mid-1967 when Clairtone, along with CMI, fell apart. He's now 80 years old and still remembers every humiliating detail of the final months at Clairtone. "Everything I've done since then has been easy."

On August 27, 1967, 11 years, two months, and 18 days after founding Clairtone Sound Corporation, my father and David Gilmour lost control of the company to the government of Nova Scotia. "A Canadian Success Story Turns Sour," was the headline in the *Toronto Daily Star*. It was over.

By the early 1970s, to lure shoppers into their grocery stores, Loblaws



At Clairtone's showroom in Rexdale, the jazz singer Carol Sloane listens to a Project G with "stereophonic headphones."

was running newspaper ads for games of "Double Money Bingo"; the grand prize was a free Clairtone colour TV. That's how far the company had fallen since the heady days of Frank Sinatra, and Irving Penn, and Pierce-Arrow convertibles in New York City. In 1971, Clairtone was de-listed from the Toronto Stock Exchange. By the time the company officially closed its doors in 1972, it had become the antithesis of everything my father and David had imagined.

**I WAS** born in September 1967, less than two weeks after my father lost Clairtone. My parents sold their house a few months later, and we moved into a rental apartment in Toronto. "I ended up with less money than the mortgage was worth on my house," my father later told *Executive* magazine. "After being sort of a hero in Toronto for ten years and considering yourself to be a millionaire, suddenly your friends are thinning out and the same banks don't talk to you in the same way and you don't get invited to the same boardrooms and no universities are asking you to give the keynote address for their business graduate course. Then comes a three- or four-month period when you really wonder whether it was all just a fluke."

It was not a fluke, of course. My father became a serial entrepreneur—one of Canada's most celebrated businessmen. When Clairtone collapsed, however, not many people were betting on him. He'd lost his credibility, and they'd lost faith. An exception was Frank Sobey, the empire builder from Nova Scotia who, as president of Industrial Estates Limited, made the grand mistake of backing my father in the first place.

In 1968, when an inquiry into the Clairtone affair was held in the Nova Scotia legislature, Sobey was called to testify. Even as he came under attack, he defended my father. "It's a good thing we have people like Peter Munk in Canada. He's a builder. He has the ability, he has the energy, he has the courage to go out and create industries. It's people like Peter Munk that created all our industries in the United States and Canada.... Invariably they lost most of their capital in doing it, because they went too fast and too swift."

Sobey wasn't finished. "It's people like that that trigger industrial development, people like Peter Munk that have courage. The people that sit back without courage, and do a lot of talking and a lot of criticism, make no contribution to the industrial development of our country. That's all I want to say."



Nina Munk and her father, 1967.