



01

○ In the shade of a tree in the quaint village of Mystic, eastern Connecticut, a horse-drawn carriage starts a tour of a bygone age. The white mare clops slowly past Geo H Stone & Co, which purports to sell groceries and hardware on the main thoroughfare of Mystic Seaport, an open-air museum celebrating the US maritime industry in a town where it once flourished.

Continuing past the drug store and a corner pub, the carriage reaches the Mallory Buildings.

There in the subtly lit interiors hang the portraits of five Mallorys: Clifford Day Mallory Jr, Clifford Day Mallory Sr, Henry Rogers Mallory, Charles Henry Mallory and the sailmaker who started it all, Charles Mallory the elder.

This is the unbroken line of shipowners and shipbrokers that leads to a sixth generation — another Charles Mallory, well known in Connecticut's shipping cluster as the co-founder of tanker brokerage MJLF.

The first Charles Mallory (1796-1882)

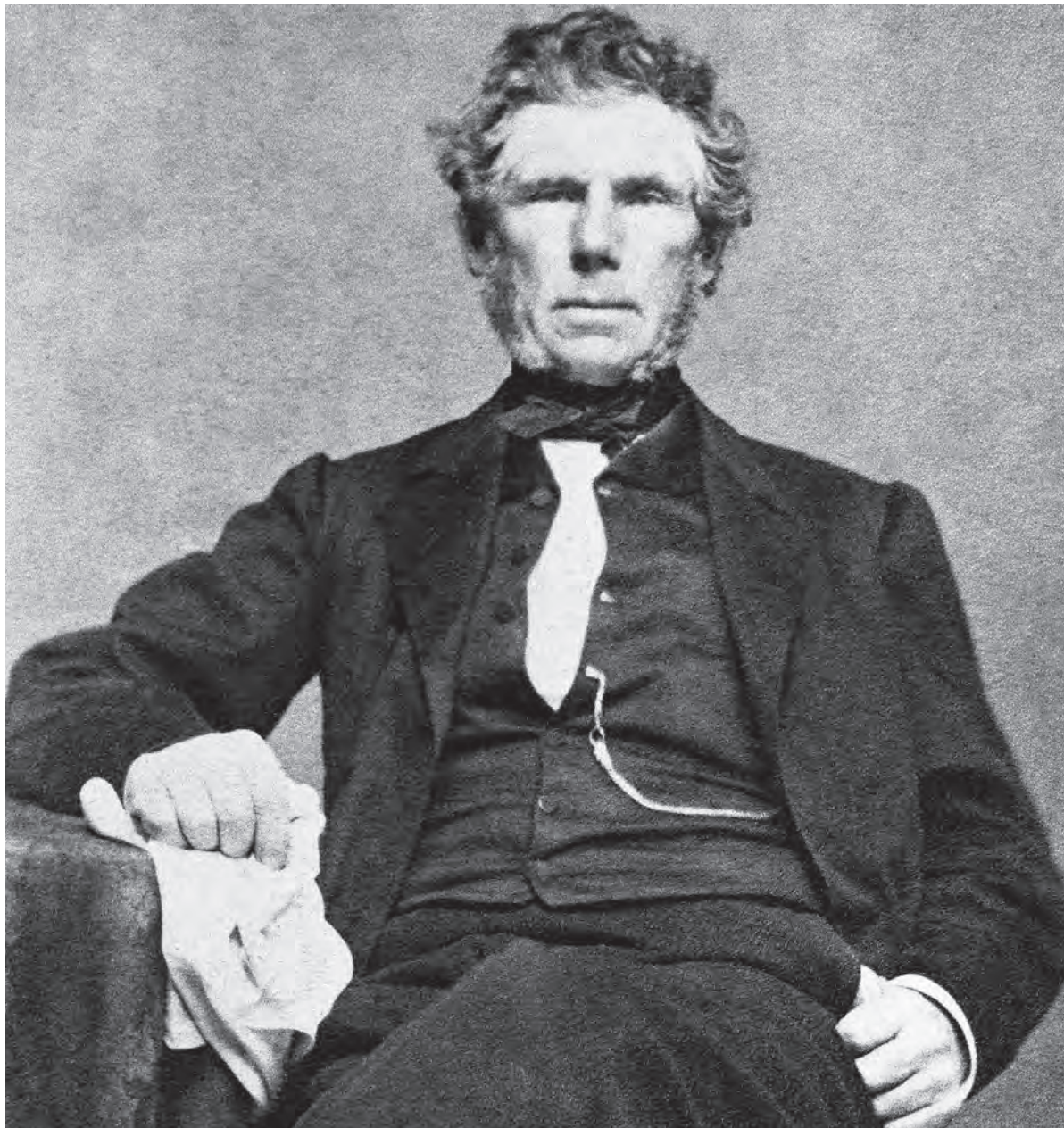
The elder Charles Mallory planted his roots in Mystic in 1816, after setting out on foot on Christmas morning from New London, where he had been fired as a sailmaker's apprentice after a dispute over

Portrait of a shipping dynasty

From Charles Mallory to Charles Mallory, a Connecticut family's roots in shipping span six generations. **Eric Martin** investigates

01 The present-day Charles Mallory comes face to face with his great-great-great-grandfather, Charles Mallory the elder, founder of the family shipping empire (Photograph: Kaitlin Parry)

THE MYSTIC MALLORYS



a 75-cent loan, according to James Baughman's book *The Mallorys of Mystic*, which provides a detailed account of the first four generations of the family's shipping history.

A day's work for fishermen he knew led to more, and it kept coming. Mallory soon set up his first sailmaker's loft in a weather-beaten building not far from the Mystic River. (His second sail loft can still be found at Mystic Seaport.)

As he became one of the most sought-after sailmakers for miles around, Mallory's ambitions took him first into whaling and then sealing. He invested in his first vessel six years after arriving in Mystic; eventually he controlled 15% of Connecticut's fleet.

Mallory, described as "reserved and austere", began investing in merchant shipping in 1826, buying into the 46-ton sloop *Connecticut*. Baughman writes that by 1861, Mallory's interests had invested in 92 sloops, schooners, brigs and other cargoships.

He first dedicated his fleet to the coastal tramp market from Canada to northern South America at a time when the reach of American owners was being increased by the expansion of the US and its cabotage

protection. He later branched out into packet lines, placing vessels in regular services to and from New York.

"What is fascinating is that the sort of deals that were being done in the 1830s and 1840s are very, very similar to what's still being done today in shipping," says the present-day Charles Mallory. "The financings, the brokerage, the long-term charter versus spot charter — all of these decisions are 200 years old."

In the mid-1850s Mallory and his sons continued to expand their empire by diving into two complementary industries: they began a shipbuilding business in Mystic, as well as founding the Mystic River Bank.

Charles Henry Mallory (1818-90)

As Charles Mallory tested the waters of shipowning, his eldest son, a "chubby but strong boy" with cherubic features and an outgoing personality, was waiting in the wings.

Charles Henry Mallory had been alternating between boarding school and the sail loft when, at 13, he was permitted to sail as a cabin boy on one voyage. "He was hooked," according to *The Mallorys of Mystic*. The following year he took to sea full-time on a brig that was part-owned by

+ **Another Mallory** made his contribution to maritime history from the rebel side of the American Civil War. As navy secretary in the Confederate States for the bulk of the war, a cousin, Stephen Mallory, oversaw an effort that, unable to square off against the North in shipbuilding capacity, sought to win with technology.

On his watch, the Southern navy developed a submarine and the ironclad warship *CSS Virginia*. In Connecticut, Charles Henry Mallory also got in on the nascent ironclad action, winning a \$50,000 subcontract to build the hull of the Northern gunboat *USS Owasco*.

01-03 The men who piloted the Mallory family fortunes throughout the 19th century and on to the Great War: Charles Mallory the elder, Charles Henry and Henry Rogers
04 Clifford Day Mallory Sr was a keen yachtsman whose name lives on in the US Sailing Association's most prestigious prize (Photography courtesy of Mystic Seaport)

his father, remaining on the ship until he became captain at 21.

This seagoing experience would become an asset for the family business. Charles Mallory — still heavily involved in whaling — turned to his son in 1848 to help run the coastal shipping business, making Charles Henry his “right hand and business heir”, Baughman wrote.

In 1865, he set up CH Mallory & Co in New York, to where he would soon move. The company came to manage the maritime assets of the family empire.

As Charles Henry’s role in the Mallory enterprise grew, a generational difference emerged. The US Civil War (in which Charles Mallory’s business served the Union war effort while cousin Stephen Mallory was appointed navy secretary in the rebel South) saw the rapid rise of steamships.

Charles Henry drove the company’s shift to iron steamships, while his father remained convinced that a market remained for wooden sailing clippers. But by 1874, running the Southern Line to New Orleans and the Texas Line to Galveston, CH Mallory & Co was the third-largest owner and operator of US-flagged steamships, Baughman wrote.

The company was “a first-class house in high standing as to character, responsibility and business ability”, noted a credit analyst at the time.

In 1880, with the shipyard business closed and his father’s health declining, Charles Henry officially took on the mantle of the family business.

Six years later he transformed it into the New York and Texas Steamship Co, with CH Mallory & Co still acting as its general agent.

Henry Rogers Mallory (1848-1919)

It was clear early on that Charles Henry’s second son, Henry Rogers, would eventually take the helm of the family empire, instead of his “careless and irreverent” older sibling, Charles, according to *The Mallorys of Mystic*.

The brothers started under the tutelage of Captain Elihu Spicer, their father’s key lieutenant. Both went on to become junior partners in CH Mallory.

Nicknamed “Buster” and an avid horseman, Henry was “aloof, miserly, meticulous and pious”. He was dedicated to the business, and showed up in the office every day “with a fresh flower in his lapel”, wrote Baughman.

After his father died in 1890, Henry soon became president of the New York and Texas Steamship Co, and in the merger fever of the early 1900s, he was showered with buyout offers. One offer caught his attention. Charles W Morse, who was aiming to monopolise the US coastal trade, gobbled up the company in 1906 for what

“Clifford Day entered the family firm at its bottom rung after being suspended from school for an unauthorised trip to see a football game”



04

the Mallory brothers viewed as a sizeable premium in cash and bonds, almost immediately moving the fleet into his Consolidated Steamship Lines, which would control 97 US-flagged ships.

However, Morse quickly became one of the period’s most infamous speculators, and the collapse of his banking businesses in 1907 was seen as a key trigger for the financial crisis of that year. His takeover of several steamship companies, including the Mallorys’, proved a gross miscalculation. Consolidated Steamship Lines was unable to make its bond payments by the start of 1908.

Henry Mallory and

fellow bondholders hatched a plan to create Atlantic, Gulf & West Indies Steamship Lines (AGWI) to take over the reorganised fleet of 62 steamships, seven tugs and 57 steam lighters. With Henry named president, the family was again at the helm of a major fleet just two years after selling out.

AGWI was larger and more complex than the groups led by his father and grandfather. In his seven years at the helm, the company strengthened its finances and embarked on a 23-ship newbuilding programme. Henry retired with the company valued at \$47m and holding a fleet of 70 vessels, a fifth of which were still flying the family flag.

“The financial condition of this

THE MYSTIC MALLORYS

corporation, also of all subsidiary companies, has never been so favorable as at this present time," he wrote.

Clifford Day Mallory Sr (1881-1941)

Henry's eldest son entered CH Mallory at its bottom rung after being suspended from the prestigious Lawrenceville School for making an unauthorised trip to see an American football game. Clifford Day took to the business with gusto, becoming a shareholder and heir apparent by 21.

At the time of his father's retirement from AGWI, Clifford had risen to a management role at its Mallory and Clyde subsidiary lines. However, according to *The Mallorys of Mystic*, he dreamt of being a shipowner with his own fleet, as his father, grandfather and great-grandfather had been before him. But efforts to rise to a position in AGWI that satisfied that desire were continually frustrated.

So when the US was drawn into the First World War, he left the company for a job running the operations division of the Shipping Board, which arranged sealift shipping during the war effort. At the end of the war he returned to the dusty, barely used offices of CH Mallory on New York's Bridge Street to consider his next steps. Declining job offers from AGWI, he formed CD Mallory & Co in a boom of US-flagged shipping investment in 1919.

After taking on two partners, Clifford raided the talent pool of AGWI and targeted opportunities to manage vessels still controlled by the Shipping Board. That market quickly evaporated, but the firm had already found a new niche managing distressed tonnage controlled by banks.

CD Mallory's big break came in 1921 with a contract to manage seven tankers repossessed from Swiftsure Oil Transport, giving the family its first significant taste of the tanker trade. Two years later, the firm teamed up with investment bankers Malcolm Chase and Alexander Smith to buy more tankers.

The company would come to control the largest independent tanker fleet under the US flag. It did significant business in the dry-tramp trade, and regained control of the family flag. Clifford Sr also left a lasting legacy in the yachting world: the US Sailing Association's top prize is the Clifford D Mallory Trophy, named after this avid race competitor.

Clifford Day Mallory Jr (1916-2000)

The younger Clifford Day received a similar gift for his 21st birthday as his father 35 years earlier: shares in the family firm and a letter predicting a leadership role ahead for him.

The 18-year-old had joined CD Mallory as an apprentice clerk, straight out of Phillips Exeter Academy, New Hampshire. He got his sea legs in 1940, taking a company vessel on a journey to South America. However, if his father's purpose in granting the trip was to see him dedicate himself more fully to the business, it backfired. "While in Montevideo he had seen the still-smoldering wreckage of the recently sunk *Graf Spee* and had boggled



01

at the fatalism with which world war was momentarily predicted," Baughman wrote about the German heavy cruiser scuttled by its crew after being damaged by British warships in the first naval battle of the Second World War.

Clifford Jr joined the US Navy. As a lieutenant commander stationed in New Caledonia he specialised in arranging merchant shipping in the Pacific.

But his father died at 60 after suffering a massive heart attack while on holiday in Florida, with Cliff as yet unprepared to take the helm of the shipowning and broking empire. The family businesses were sold off, with Mallory Transport Lines renamed Marine Transport Lines (MTL).

On leaving the navy in 1945, Cliff declined a job offer from MTL, instead taking a teaching job at the US Merchant Marine Academy.

After spending time as a broker at Addison Atwater, later to become Poten, he struck out in 1960 to form his own brokerage, also called CD Mallory, in partnership with Otto Glander. The firm continued under that name into the early



02

01 Clifford Day Jr became a major supporter of Mystic Seaport (Photograph courtesy of Mystic Seaport)

02 The present-day Charles Mallory with his wife, Georgette, herself a member of Greek shipping's Kulukundis family (Photograph: Kaitlin Parry)



01

1980s, when, after Clifford's retirement, it became Glander International, which shifted its focus to marine fuels brokerage and was taken over by Dubai's International Bunkering last year.

Like his father, Clifford Jr was a major supporter of Mystic Seaport. Both served as chairman of the museum that celebrates their family's long history in shipping.

The present-day Charles Mallory (1951-) As a college student in California, Clifford Jr's only son, Charles, had no intention of entering the family business. He wanted to open a restaurant in Palo Alto, south of San Francisco.

However, as graduation approached in the spring of 1974, Clifford Jr learned of his son's interests and made an effort to steer him towards the Mallory business.

"My father, in a very nice and reasonable way, said to me: 'Your family has been in this business for six generations,¹ probably longer than anyone in this country. I'm asking you to give me and shipping a chance,'" Charles recalls.

He joined CD Mallory that year, just before the tanker market plunged into more than two decades in the doldrums, except for a few fleeting spikes. It was far from the golden age his father had enjoyed before 1973, but it was a great time to learn the business.

Among his earliest major deals, Charles brokered a VLCC sale from US tanker magnate DK Ludwig to Christina Onassis, shortly after the death of her father, Aristotle. As he spoke to two of the richest people in the world, he realised that neither seemed happy. "What that taught me was that money wasn't necessarily the road to happiness. It was a powerful lesson to get at the age of 25," Charles says, and it led him to refocus his ambitions to create rather than just generate profits.

In 1979 he teamed up with two other young brokers, Sam Jones and Charles Lynch, to form Mallory, Jones and Lynch, which later became MJLF, one of the leading tanker houses in the US.

Charles sold the last of his shares in MJLF two years ago, but long before then

¹ Although the first Charles Mallory founded the family empire, he was not the first to make his living from the sea. His father, David Mallory, had been a mariner on the privateer *Oliver Cromwell*, but was forced ashore by injury. He subsequently worked as a farmer and butcher.

he had already found his new business interest. In 1992 he invested in Clearwater House, an office building in Stamford, Connecticut, with shipowners George and Peter Livanos, as well as Michael Hudner. It proved a successful investment.

By 2000, real estate had become his main focus with the purchase of Connecticut's Greenwich Harbor Inn, which he rebranded the Delamar after an extensive renovation. He has since invested in several other hotels, including a second Delamar, Stamford's Hotel Zero Degrees and two sites in Texas — plus a brewery in the same state.

"Instead of becoming a principal as a shipowner, I ended up becoming a principal in real estate," he says. "Real estate holds very similar qualities [to shipping]: supply and demand, long term versus short term, the right sector in the right time frame, so that's why I adapted very quickly to real estate."

But will there be a seventh generation of Mallorys in shipping?

The 62-year-old has not given the same talk to his three sons, who range in age from 23 to 29, that he received from his father — or to the four step-children with his second wife, Georgette, who as a Kulukundis is also a member of a multi-generational shipping family.

"I want to let them find their own way first, and if it gels for them in some business, great. But if they feel that something says to them, 'I need to be involved in shipping or hotels', I'm all ears," he says.

Although he is not pressing for the family shipping business to continue, Charles is increasingly interested in helping perpetuate the national sailing trophies named after his grandfather, as well as promoting Mystic Seaport, where he is a board member. But he also reveals he has mulled over the idea of getting into shipowning, just like his predecessors.

"I must admit, as I sit here today, I'm actually maybe more intrigued than ever with the notion that it would be fun to figure out a shipowning opportunity," Charles says, noting that it would probably be as a minority partner. However, he adds: "I may not want to have more battle scars... so maybe I should just stick to what I'm doing." ☒



02

✚ **In 1972 business historian James Baughman** published a 496-page book chronicling much of the Mallorys' history in shipping. *The Mallorys of Mystic* (Wesleyan University Press) closes, however, with the break-up of the business in the aftermath of Clifford Day Mallory Sr's death in 1941.

Baughman also wrote a book on Mallory rival Charles Morgan, another leading Mystic shipowner.

01 Five generations of the maritime Mallorys gaze down from the gallery wall of the Mallory Buildings at Mystic Seaport

02 A horse-drawn carriage tour of Mystic Seaport (Photography: Eric Martin)