

Mercury Outboards - The Canadian History

By: Ken Kirk

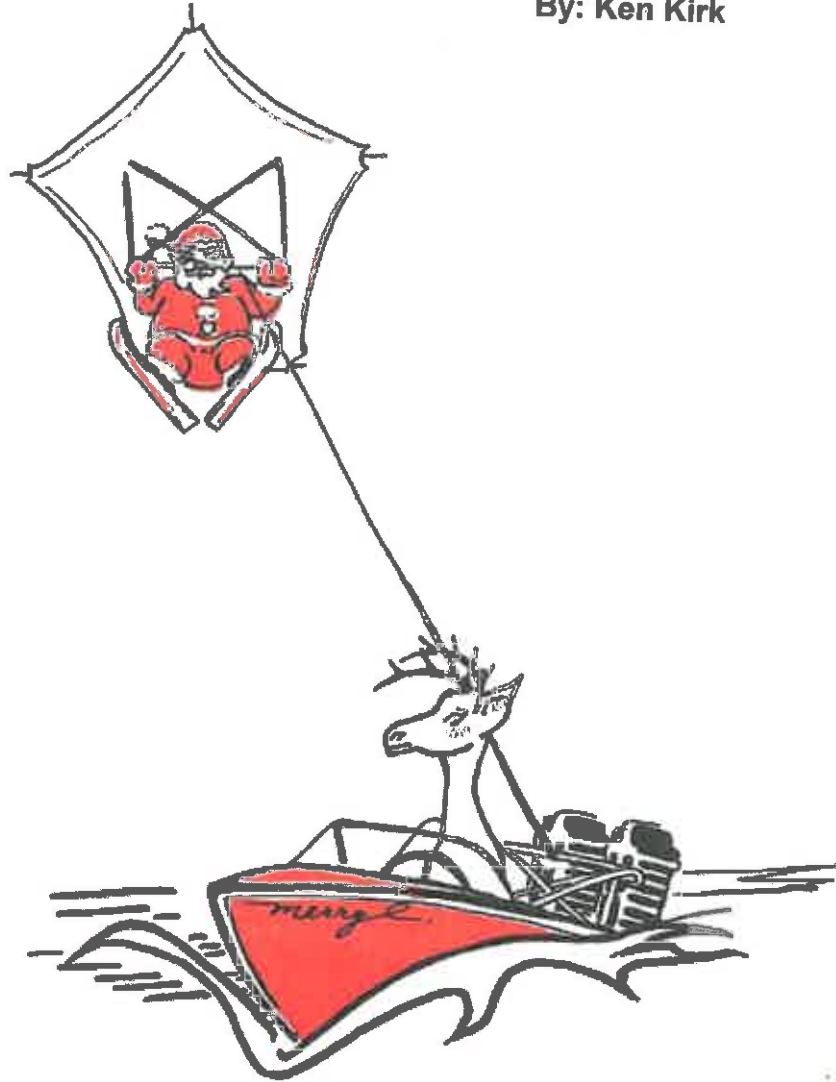
Carl Kiekhaefer purchased the Cedarburg Manufacturing Company, maker of the Thor outboard motor, in January of 1939. It was not his intent to get into the outboard business. He had purchased the Company for its manufacturing plant located in his home town, Cedarburg, Wisconsin. The company was going bankrupt and Carl planned to use the facility to make magnetic clutches and brakes, products that he had worked on at Stearns Magnetic in Milwaukee where he was Chief Engineer.

As part of the purchase agreement Kiekhaefer was obligated to honour a contract with U.S. department store giant, Montgomery Ward, for Thor outboard motors. The first day he took possession of the plant he discovered that 384 of a total shipment of 500 Thor outboards had been returned by Montgomery Ward as "un-runnable". The rejected motors were now stacked in crates in the Cedarburg plant, waiting to be rebuilt. Montgomery Ward also advised that they were cancelling their order for another 500 Thors, an order Kiekhaefer had been counting on to provide cash flow as he converted the plant from outboard to magnetic brake production.

The Kiekhaefer engineering genius, super human work ethic and legendary tenacity resulted in a short turnaround fix for the 384 rejected Thors. This impressed Montgomery Ward to the point where they reinstated the order for another 500 outboards. By the end of 1939 Kiekhaefer had shipped more than 2,300 new and improved Thor outboards to Montgomery Ward. More importantly he had earned their trust and respect.

Carl was now seeing some potential in this outboard motor business. With encouragement from Montgomery Ward he set about designing a totally new single cylinder outboard motor. Montgomery Ward were so impressed with Carl's prototype they gave him an order for 20,000 motors.

Word was getting around about Kiekhaefer's capabilities. Western Auto Supply, a large U.S. auto parts and accessories retail chain, had their own private label brand



Mercury 1962 Canadian Corporate Christmas Card (from Ken Kirks Collection)

of outboards called "Wizard". They were unhappy with the Muncie Gear Works who were making these outboards for them. Western Auto came calling and Kiekhaefer negotiated a deal to build 10,000 single cylinder and 2,500 twin cylinder "Wizard" outboards. So by January of 1940, one year after taking over the defunct Thor outboard motor operation, Kiekhaefer was looking at an order bank of over 32,000 outboard motors.

In late 1939 Kiekhaefer made a crucial decision. He decided to design and manufacture a new line of outboard motors with the brand name, "Mercury". He would not sell this brand through major retail chains but would establish his own dealer network and control his own "Mercury" brand marketing and advertising. With another super human effort Carl introduced his new single and twin cylinder outboards under the "Mercury" brand name at the 1940 New

York Motor Boat Show. He was now fully committed to the outboard motor business and he would prove to be a "game changer" for the industry.

When Kiekhaefer took over Thor outboards, in addition to retailer Montgomery Ward, he also inherited a small and crumbling Thor dealer network. Bad products breed unhappy customers and unhappy customers breed unhappy retailers. One of these was Cullen, May, Richardson Engineering Limited, at 287 King Street West in Toronto. It is impossible to know whether the Canadian firm ever received any of the new and improved Thor outboards produced by Kiekhaefer. It would appear that Carl had enough challenges on his plate in 1939 that distribution to Canada would have been of little concern. It seems fairly certain however that there was no formally organized distribution of "Mercury" brand outboards in Canada until after the end of World War II.

In 1941, with the outbreak of war in Europe, the U.S. government put restrictions on the use of aluminum and by 1942 they banned the use of aluminum in the production of all leisure products. This in effect ended the production of outboards for consumer sale until the War was almost over. During World War II Kiekhaefer Corporation had designed and built air cooled engines for a wide variety of military applications including chain saws and engines for drone target aircraft.

By mid 1945 the War was going well and aluminum was again available in limited supply for production of outboards for sale to the general public. Kiekhaefer had a standing order from Western Auto for 33,000 outboards to be delivered no later than January 1946. The pent-up consumer demand for leisure products was about to explode and Kiekhaefer, like many others, was in a frantic race to significantly increase manufacturing capacity as

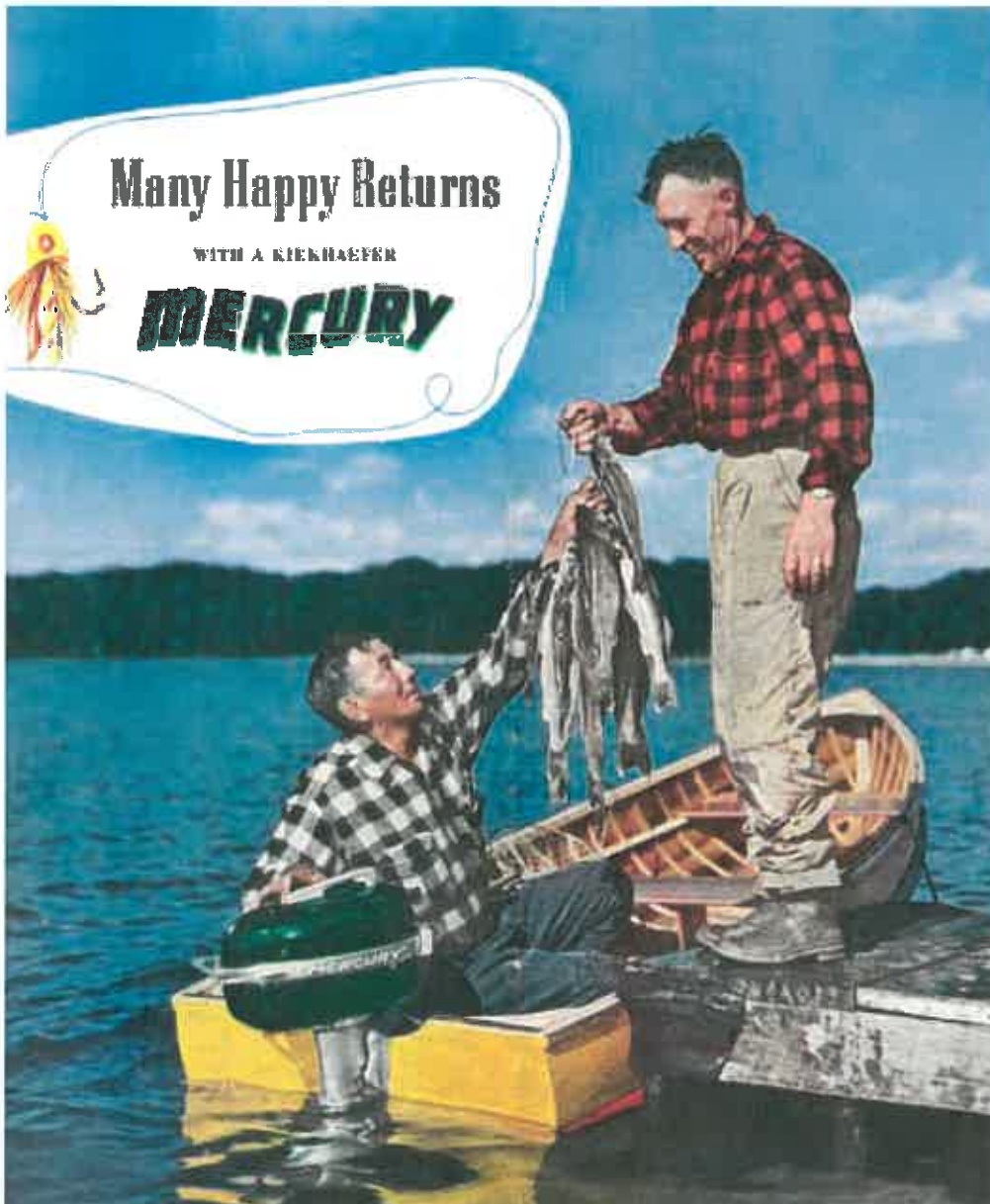
quickly as possible in order to maximize sales and market share.

The manufacturing challenge was to meet U.S. consumer demand. This was the number one priority. Serving the Canadian market was going to have to wait a few more years.

By 1948 Kiekhaefer set up John R. Munro in London as the Ontario Distributor for Mercury Outboards. Munro had been building wood boats since 1937 and had a significant Ontario dealer network. Munro Boats were, we believe, the first Canadian distributors of Mercury outboards and were responsible for building the first dealer sales and service network.

In November of 1953, Smith Sports on King Street West in Oshawa announced they had been appointed Mercury Outboard Distributors for Eastern Ontario, splitting off some of the territory originally awarded to Munro Boats & Motors Limited.

One of the first Mercury dealers in Canada was Quinns, a boat



Cover of the 1948 Mercury catalogue, the first year Mercury outboards were officially distributed in Canada

and motor rental livery on Lake Simcoe at Pefferlaw. They were given a franchise in 1949. A young Ted Quinn moved the Mercury sales and service operation to a small shop on Laird Drive in Toronto in 1957. Ted had a passion for boat racing and this fit well with the marketing profile Mercury had established with its Quicksilver lower units and its "H" series of "out of the box" racing engines.

sanction of the CBF and support of Mercury, became a very popular sport in Canada and Mercury outboards dominated.

In 1957 the Ontario distribution of Mercury outboards was consolidated with Dalex Industries of Toronto. Mercury also named four other regional distributors covering B.C., Manitoba, Quebec and Atlantic Canada.



The Mercury image changed in 1949 with the introduction of the 4 cyl. Thunderbolt 25 HP, model KF-9

Ted was a race boat driver, a team owner and ultimately a consultant to Team Mercury. Ted's team set a world record for FJ class with a 110 hp Merc on an Allison Craft boat named "Black Magic". By the late 1960's Ted Quinn Marine had become the premier service centre for performance outboards in eastern Canada. In 1972 he relocated to larger facilities in Agincourt and in 1979 Quinn's Marine consolidated at its present location back home in Pefferlaw.

Norm Seward, on the Trent River in Campbellford, was another Mercury dealer appointed in 1949. Seward's Marine is now the site of Dwight Boyd's Clarion Boats, a well known wood boat building and boat restoration shop.

By 1954 the Mercury dealer network was making an impact. There were eight authorized dealers in the Toronto metropolitan area alone including Duke Cycle and Sports on Queen Street West, George Barrie on the Danforth, and Eds' Boat House on Lake Shore Road in Port Credit.

The 1954 Mercury Canadian price list published by Munro Boats indicated you could buy a brand new KG4H with Quicksilver lower unit for \$425.50. The Mark 20H listed for \$550.00 and the 30H for \$839.50 Canadian. Mercury dealers made it relatively easy and affordable for young men to go boat racing. Outboard racing under the

Dalex were very aggressive in promoting the Mercury "performance" image. Dalex attended every CBF boat racing event providing technical support for the Mercury drivers. They established Hydrodyne Boats powered by Mercury outboards as the official tow boat of the Canadian Water Ski Association. Every weekend of an ACBS sanctioned tournament Dalex was there with first class drivers, mechanics and equipment. Dalex people like Parts & Service Manager Don Johnson worked seven days a week during the summer season ensuring that Mercury was well represented at every important performance boating event in Ontario.

By 1961, Kiekhaefer was ready to make their first production venture outside of the United States. Carl had been interested in establishing an assembly plant in Canada as early as 1952 but as had happened many times before, there always seemed to be higher priorities. Now under the direction of one of Carl's most trusted executives, Herman Steig, a Mercury assembly plant was established on Caledonia Road in Toronto. Production start up was in May, 1962. In the first year only the 45 hp, 4 cylinder Merc 450 was assembled in Canada but by 1963 the full Mercury line was assembled at Caledonia Road.

This was a very pivotal time period for Kiekhaefer and for Mercury. Within a 12 month period during 1961-62 Kiekhaefer introduced the first MerCruiser stern drive...introduced the first 100 horse power outboard motor... and sold or merged, (depending on who's version of the deal you believe), the Kiekhaefer Corporation to Brunswick. Setting up an assembly plant in Canada seemed like a relatively small deal compared to other events happening at Mercury.

Mercury thus became a Division of the Brunswick Corporation. The name was changed to Kiekhefer Mercury. The arrangement with Brunswick turned out to be a disaster. Constant infighting between Carl and the Brunswick brass for management and operational control started to paralyze the Division. By late 1969 neither side could take it anymore and Carl Kiekhaefer resigned as President. His resignation was formally accepted in early 1971. By November of 1971, his name was dropped and Kiekhaefer Mercury became the Mercury Marine Division

of Brunswick Corporation.

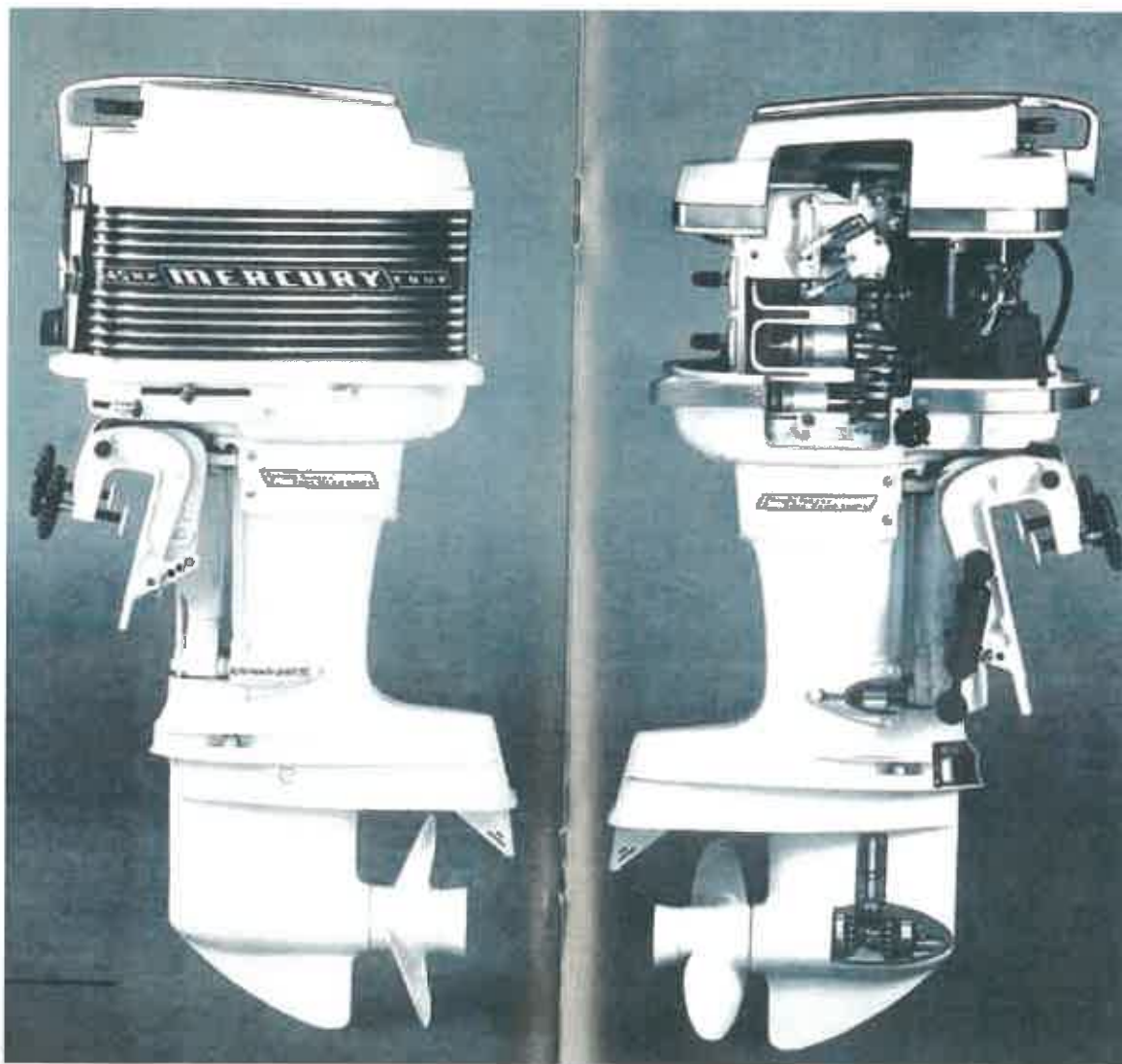
Since the 1972 model year motors were already in production, the Kiekhaefer name remained on the motors. 1973 was the first model year that the Kiekhaefer name did not appear on a Mercury outboard.

By 1971, Mercury Marine of Canada Limited had outgrown its Caledonia Road facility. Mercury had embarked on a plan to buy out its Canadian distributors starting with Dalex. Mercury needed much more room for both increased production capacity and the larger inventory of parts and finished product now required to serve dealers directly. The objective was to eliminate distributors in all regions across Canada. This required much more space than was available at Caledonia Road.

Mercury purchased the Brunswick Corporation's Mississauga plant at Dundas Street and Dixie Road in September, 1971. The plant was extensively reorganized and retrooled.

Mercury moved lock, stock and barrel the 16 miles from Caledonia Road to their new location in Mississauga and outboard production began on November 22, 1972. The first motor to be assembled in the new facility was a 1973 Merc 1150.

With the implementation of "free trade" between Canada and the United States and the removal/reduction of import tariffs, the assembly of Mercury outboards in Canada was suspended in 1992. It was ultimately more cost efficient to import finished product into Canada. The Mercury Marine Sales, Marketing and Distribution operations were



The first Mercury assembled in Canada, the 1962 Merc 4 cylinder, 45 HP.

relocated to Meadowvale just west of Mississauga. In 2008 they relocated again to larger capacity facilities...this time to Milton.

Mercury Marine remains a Division of the Brunswick Corporation.

Authors Note:

I want to thank Bob Paterson for providing information and material that made this brief history much more complete

and accurate. Bob joined Mercury in 1965 as Assistant Sales Manager for Canada. He retired from Mercury in 2002 as Director of Marketing. In recognition of his many contributions to the boating industry, Bob has been inducted into Canada's Boating Hall of Fame.

Thanks also to boat racer and performance boat driver Don Johnson who joined Dalex early in 1959 and served as Parts and Service Manager through the early days of Dalex tenure as the Ontario distributor for Mercury.

Ken Kirk
