

A Change in Climate: The Conquest and the *Marchands* of Montreal

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Volume 9, numéro 1, 1974

Toronto 1974

URI : <https://id.erudit.org/iderudit/030779ar>

DOI : <https://doi.org/10.7202/030779ar>

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Éditeur(s)

The Canadian Historical Association/La Société historique du Canada

ISSN

0068-8878 (imprimé)

1712-9109 (numérique)

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Citer cet article

Igartua, J. (1974). A Change in Climate: The Conquest and the *Marchands* of Montreal. *Historical Papers / Communications historiques*, 9(1), 115–134.
<https://doi.org/10.7202/030779ar>

*A Change in Climate: The Conquest
and the Marchands of Montreal*

When the British government issued the Royal Proclamation of 1763, it assumed that the promised establishment of "British institutions" in the "Province of Quebec" would be sufficient to entice American settlers to move north and overwhelm the indigenous French-speaking and Papist population. These were naive hopes. Until the outbreak of the American Revolution, British newcomers merely trickled into Quebec, leading Governor Carleton to prophesy in 1767 that "barring a catastrophe shocking to think of, this Country must, to the end of Time, be peopled by the Canadian Race . . ." ¹ But the British newcomers, few though they were, had to be reckoned with. By 1765 they were powerful enough to have Governor Murray recalled and by 1777 they would be strong enough to command the majority of investments in the fur trade. ² Did their success stem from superior abilities? Did the British take advantage of the situation of submission and dependence into which the Canadians had been driven by the Conquest? Did the newcomers gain their predominance from previous experience with the sort of political and economic conditions created in post-Conquest Quebec?

Historians of Quebec have chosen various ways to answer these questions. Francis Parkman was fond of exhibiting the superiority of the Anglo-Saxon race over the "French Celt." ³ More recently the studies of W.S. Wallace, E.E. Rich, and D.G. Creighton took similar, if less overt, positions. ⁴ One of the best students of the North West fur trade, Wayne E. Stevens, concluded: "The British merchants . . . were men of great enterprise and ability and they began gradually to crowd out the French traders who had been their predecessors in the field." ⁵

The French-Canadian historian, Fernand Ouellet, attributed the rise of the British merchants to the weaknesses of the Canadian trading bourgeoisie: "Son attachement à la petite entreprise individuelle, sa répugnance à la concentration, son goût du luxe de même que son attrait irrésistible pour les placements assurés étaient des principaux handicaps." No evidence is given for this characterization and the author hastens to concede that before 1775 "le problème de la concentration ne se pose pas avec acuité," but for him it is

clear that the economic displacement of the Canadians resulted from their conservative, "ancien Régime" frame of mind, bred into them by the clergy and the nobility.⁶ Ouellet painted British merchants in a more flattering light as the agents of economic progress.⁷

Michel Brunet has depicted the commercial competition between the British newcomers and the Canadian merchants as an uneven contest between two national groups, one of which had been deprived of the nourishing blood of its metropolis while the other was being assiduously nurtured. For Brunet the normal and natural outcome of that inequality was the domination of the conqueror, a situation which he sees as prevailing to the present day.⁸

Dale B. Miquelon's study of one merchant family, the Babys, shed new light on the question of British penetration of Canadian trade. It outlined the growth of British investments in the fur trade and the increasing concentration of British capital. The author concluded:

The French Canadians dominated the Canadian fur trade until the upheaval of the American Revolution. At that time they were overwhelmed by an influx of capital and trading personnel. English investment in the top ranks of investors jumped by 679% and was never significantly to decline. Even without explanations involving the difference between the French and English commercial mentalities, it is difficult to believe that any body of merchants could recover from an inundation of such size and swiftness.⁹

This conclusion had the obvious merit of staying out of the murky waters of psychological interpretations. But Miquelon's own evidence suggests that the "flood theory" is not sufficient to account for the Canadians' effacement; even before the inundation of 1775-1783, British investment in the fur trade was growing more rapidly than Canadian. By 1772, to quote Miquelon, the "English [had] made more impressive increases in the size of their investments than [had] the French, and for the first time [had] larger average investments in all categories."¹⁰

It is difficult not to note the ascendancy of the British in the fur trade of Canada even before the American Revolution. The success of the British merchants, therefore, was rooted in something more than mere numbers. It was not simply the outcome of an ethnic struggle between two nationalities of a similar nature; it was not only the natural consequence of the Canadians' conservative frame of mind. It arose out of a more complex series of causes, some of them a product of the animosities between Canadians and British, others inherent to the differences in the socio-economic structures of the French and British Empires; together, they amounted to a radical transformation of the societal climate of the colony.

The aim of this paper is to gauge the impact of the Conquest upon a well-defined segment of that elusive group called the “bourgeoisie” of New France. It focuses on Montreal and its Canadian merchants. Montreal was the centre of the fur trade and its merchants managed it. Historians of New France have traditionally seen the fur trade as the most dynamic sector of the colony’s economy; by implication it is generally believed that the fur trade provided the likeliest opportunities for getting rich quickly and maintaining a “bourgeois” standard of living.¹¹ It is not yet possible to evaluate the validity of this notion with any precision, for too little is known about other sectors of the economy which, in the eighteenth century at least, may have generated as much or more profit. Research on the merchants of Quebec should provide new information on the wealth to be made from the fisheries, from wholesale merchandising, and from trade with Louisbourg and the West Indies. But if one is concerned with the fate of Canadian merchants after the Conquest, one should examine the fate of men involved in the sector of the economy of Quebec which was the most dynamic *after* the Conquest, the fur trade. The paper examines the impact of the arrival of (relatively) large numbers of merchants on the Montreal mercantile community, the attitude of British officials towards the Canadians, and the changing political climate of the colony. It is suggested that it was the simultaneous conjunction of these changes to the “world” of the Montreal merchants, rather than the effect of any one of them, which doomed the Canadian merchants of Montreal.¹²

The Montreal Merchants at the End of the French Regime

In 1752 a French Royal engineer passing through Montreal remarked that “la plupart des habitants y sont adonnés au commerce principalement à celui connu sous le nom des pays d’en haut.”¹³ It was only a slight exaggeration. By the last year of the French regime one could count over one hundred *négociants*, merchants, outfitters, traders, and shopkeepers in Montreal. The overwhelming majority of them had been in business for some years and would remain in business after the Conquest. Over half were outfitters for the fur trade at some time or other between 1750 and 1775; these men comprised the body of the merchant community of Montreal. Above them in wealth and stature stood a handful of import merchants who did a comfortable business of importing merchandise from France and selling it in Montreal to other merchants or directly to customers in their retail stores. Below the outfitters a motley group of independent fur traders, shopkeepers, and artisans managed to subsist without leaving more than a trace of their existence for posterity.¹⁴

The fur trade, as it was conducted by the merchants of Montreal before 1760, had little to do with the glamorous picture it sometimes calls to

mind. For the outfitter who remained in Montreal, it was not physically a risky occupation; its management was fairly simple and the profits which it produced quite meager. For the last years of the French regime the fur trade followed a three-tier system. Fort Frontenac (present-day Kingston) and Fort Niagara were King's posts; they were not lucrative and had to be subsidized to meet English competition. The trade of Detroit and Michilimackinac, as well as that of the posts to the South West, was open to licencees whose numbers were limited. Some *coureurs de bois* (traders without a licence) also roamed in the area. The richest posts, Green Bay and the posts to the northwest past Sault Sainte-Marie, were monopolies leased by the Crown to merchants or military officers.¹⁵ The export of beaver was undertaken by the French *Compagnie des Indes*, which had the monopoly of beaver sales on the home market. Other furs were on the open market.

The system worked tolerably well in peace time: there was a stable supply of furs, prices paid to the Indians had been set by custom, the prices paid by the *Compagnie des Indes* were regulated by the Crown, and the prices of trade goods imported from France were fairly steady. There was competition from the Americans at Albany and from the English on the Hudson Bay, to be sure, but it appeared to be a competition heavily influenced by military considerations and compliance with Indian customs.¹⁶

The system faltered in war time. Beaver shipments to France and the importation of trade goods became risky because of British naval power. Shipping and insurance costs raised the Canadian traders' overhead, but the Indians refused to have the increase passed on to them. This was the most obvious effect of war, but it also produced general economic and administrative dislocations which led H.A. Innis to conclude that it "... seriously weakened the position of the French in the fur trade and contributed to the downfall of the French *régime* in Canada."¹⁷

Nevertheless, outside of war-time crises, the fur trade of New France was conducted with a fair dose of traditionalism. This traditionalism resulted from two concurrent impulses: Indian attitudes towards trade, which were untouched by the mechanism of supply and demand and by distinctions between commercial, military, political or religious activities; and the mercantilist policies of France, which tried to control the supply of furs by limiting the number of traders and regulating beaver prices on the French market. While the fur trade structure of New France had an inherent tendency towards geographic expansion, as Innis argued, it also had to be oligopolistic in nature, if investments in Indian alliances, explorations, and military support were to be maximized. Open competition could not be allowed because it would lead to the collapse of the structure.¹⁸

It is not surprising, therefore, that most outfitters dabbled in the fur trade only occasionally. On the average, between 1750 and 1775, the Canadian merchants of Montreal invested in the trade only four times and signed up about eleven *engagés* each time, not quite enough to man two canoes. Few merchants outfitted fur trade ventures with any regularity and only six men hired an average of twelve or more *engagés*, more than twice before 1761 (See Table 1).

Table I

LARGEST CANADIAN FUR TRADE OUTFITTERS IN
MONTREAL, 1750-1760

Name	Total No. of years	of hirings	Yearly Average
CHARLY, Louis Saint-Ange	6	85	14.1
GODET, Dominique	5	85	17.0
LECHELLE, Jean	4	130	32.5
LEMOINE MONIERE, Alexis	7	300	42.8
L'HUILLIER CHEVALIER, François	7	90	12.6
TROTIER DESAUNIERS, Thomas-Ignace "Dufy"	5	129	25.8

Source: "Répertoire des engagements pour l'ouest conservés dans les Archives judiciaires de Montréal," *Rapport de l'Archiviste de la province de Québec*, 1930-31, pp. 353-453; 1931-32, pp. 242-365; 1932-33, pp. 245-304.

Three of these were unquestionably wealthy: Louis Saint-Ange Charly, an import merchant who, unlike his colleagues, had a large stake in the fur trade, realized 100,000 livres on his land holdings alone when he left the colony for France in 1764; Thomas-Ignace Trotier Desauniers "Dufy," who in a will drawn up in 1760, bequeathed 28,000 livres to the Sulpicians; the illiterate Dominique Godet, who in a similar document of 1768, mentioned 5,000 livres in cash in hand, land in three parishes in the vicinity of Montreal, "Batiment & Bateaux qui en dependent," around 5,000 livres in active debts, and two black slaves.¹⁹ Two other large outfitters left relatively few belongings at the time of their death: Alexis Lemoine Monière left less than 1,000 livres, all of it in household goods, and François L'Huillier Chevalier just slightly more.²⁰ Little is known about the sixth man, Jean Léchelle.

If the fur trade made few wealthy men among those who invested heavily in it, it would be hard to argue that less considerable investors were

more successful. It is not unreasonable to conclude that the fur trade was not very profitable for the overwhelming majority of outfitters and that it only sustained a very limited number of them each year. Yet the French had reduced costly competition to a minimum and had few worries about price fluctuations. How would Canadian outfitters fare under a different system?

The Advent of the British Merchants

With the arrival in Montreal of British traders, the workings of the fur trade were disrupted. At first, the licensing system was maintained and some areas were left to the exclusive trade of particular traders.²¹ But from the very beginning the trade was said to be open to all who wanted to secure a licence, and the result could only be price competition. With individual traders going into the fur trade, the organization of the trade regressed. The previous division of labour between the *Compagnie des Indes*, the import merchants and outfitters, the traders, the voyageurs, and the *engagés* was abandoned and during the first years of British rule the individual trader filled all of the functions previously spread among many "specialists."

The story of Alexander Henry, one of the first British merchants to venture into the upper country, illustrates the new pattern of trade. A young man from New Jersey, Alexander Henry came to Canada in 1760 with General Amherst's troops.²² With the fall of Montreal Henry saw the opening of a "new market" and became acquainted with the prospects of the fur trade. The following year, he set out for Michilimackinac with a Montreal outfitter, Etienne Campion, whom he called his "assistant," and who took charge of the routine aspects of the trip.²³ Henry wintered at Michilimackinac. There he was urged by the local inhabitants to go back to Detroit as soon as possible for they claimed to fear for his safety. Their fears were not without foundation, but Henry stayed on. His partner Campion reassured him: ". . . the Canadian inhabitants of the fort were more hostile than the Indians, as being jealous of British traders, who . . . were penetrating into the country."²⁴ At least some of the Canadians resented the British traders from the outset and a few tried to use the Indians to frighten them away.²⁵

Henry proceeded to Sault Sainte-Marie the following year. In the spring of 1763, he returned to Michilimackinac and witnessed the massacre of the British garrison during Pontiac's revolt.²⁶ He was eventually captured by the Indians and adopted into an Indian family with whom he lived, in the Indian style, until late June 1764. Undaunted, Henry set out for the fur trade again, exploring the Lake Superior area. He was on the Saskatchewan River in 1776, tapping fur resources which the French had seldom reached.²⁷ Finally

he settled down in Montreal in 1781 and while he did join the North West Company after its formation, he seldom returned to the upper country himself.²⁸

Henry was not the first British merchant to reach the upper country. Henry Bostwick had obtained a licence from General Gage before him in 1761,²⁹ and the traders Goddard and Solomons had followed Henry into Michilimackinac in 1761. By early 1763 there were at least two more British merchants in the area.³⁰ In Montreal alone there were close to fifty new merchants by 1765. Governor Murray's list of the Protestants in the district of Montreal gives the names, the origins, and the "former callings" of forty-five.³¹ Over half of them came from England and Scotland and 20 per cent were from Ireland. Only 13 per cent came from the American colonies and an equal number came from various countries (Switzerland, Germany, France, Guernesey). In the proportion of more than three to one, the newcomers had been merchants in their "former calling." The others had been soldiers and clerks. Many of the newcomers were men of experience and enterprise. Among them were Isaac Todd, Thomas Walker, Lawrence Ermatinger, Richard Dobie, Edward Chinn, John Porteous, William Grant, Benjamin Frobisher, James Finlay, Alexander Paterson, Forrest Oakes, and the Jewish merchants Ezekiel and Levy Solomons, all of whom became substantial traders.³²

The arrival of so many merchants could only mean one thing: strenuous competition in the fur trade. Competition ruthlessly drove out those with less secure financial resources or with no taste for sharp practices. Among the British as among the French, few resisted the pressures. The story of the trader Hamback is not untypical. Out on the Miami River in 1766 and 1767, he found that competition left him with few returns to make to his creditor William Edgar of Detroit. "I live the life of a downright exile," he complained, "no company but a Barrel of drunken infamous fugitives, and no other Comfort of Life."³³

The Canadian merchants of Montreal had competition not only from British merchants in their town, but also from American merchants moving into Detroit and Michilimackinac. William Edgar, a New York merchant, was at Niagara in late 1761.³⁴ In 1763 he was established at Detroit, where he conducted a brisk trade supplying individual traders at Michilimackinac and in the South West District.³⁵ From Schenectady, the partnership of Phyn and Ellice also carried on a profitable supply trade for the fur traders of the interior.³⁶

Competition also came from the French on the Mississippi, who were trading in the Illinois country and the Lake Superior region. These French

traders could all too easily link up with French-speaking traders from Canada, whose help, it was feared, they could enlist in subverting the Indians against British rule.³⁷ This always troubled Sir William Johnson, the Superintendent for Indian Affairs, who refused to abandon his suspicions of the French-speaking traders from Canada.

This many-sided competition produced a climate to which the Canadian merchants were not accustomed. The increased numbers of fur traders led to frictions with the Indians, smaller returns for some of the traders, and unsavory trade practices.³⁸ Even the retail trade was affected. Merchants from England flooded the market at Quebec "with their manufactures, so much so that they are daily sold here at Vendue Twenty per Cent. below prime Cost."³⁹ In 1760 alone, the first year of British occupation, £60,000 worth of trade goods had been brought into Canada.⁴⁰ From 1765 to 1768 the pages of the *Quebec Gazette* were filled with notices of auctions by merchants returning to England and disposing of their wares after unsuccessful attempts to establish themselves in the trade of the colony.⁴¹

By 1768 some thought the Canadians still had the advantage in the fur trade, even though there was "Competition" and a "strong Jealousy" between Canadian and English. The Canadians' "long Connections with those Indians," wrote General Gage, "and their better Knowledge of their Language and Customs, must naturally for a long time give the Canadians an Advantage over the English . . ."⁴² Sir William Johnson had expressed a similar opinion the previous year and had deplored the British merchants' tactics: "The English were compelled to make use of Low, Selfish Agents, French, or English as Factors, who at the Expence of honesty and sound policy, took care of themselves whatever became of their employers."⁴³

Another observer, the Hudson's Bay Company trader at Moose Factory, complained of "Interlopers who will be more Destructive to our trade than the French was." The French had conducted a less aggressive trade: they "were in a manner Settled, their Trade fixed, their Standards moderate and Themselves under particular regulations and restrictions, which I doubt is not the Case now."⁴⁴ Competition was forcing the British merchants in Montreal into ruthless tactics, a development which upset the Hudson's Bay Company man and which would unsettle the Canadians.

The pattern of British domination of the fur trade began to emerge as early as 1767. Trading ventures out of Michilimackinac into the North West were conducted by Canadians, but British merchants supplied the

financial backing. The North West expeditions demanded the lengthiest periods of capital outlay, lasting two or three years. British merchants, it seems, had better resources. Of the fifteen outfitters at Michlimackinac who sent canoes to the North West in 1767, nine were British and six were Canadian; the total value of canoes outfitted by the British came to £10,812.17. while the Canadians' canoes were worth only £3,061.10. The British outfitters—most notably Alexander Henry, Isaac Todd, James McGill, Benjamin Frobisher, Forrest Oakes—invested on the average £1,351.12. and the Canadians only £510.5. The average value of goods invested in each canoe stood at £415.17. for the British and £278.6. for the Canadians.⁴⁵ The Canadians' investment per canoe was only two-thirds that of the British and the Canadians were already outnumbered as outfitters in what would become the most important region of the fur trade.⁴⁶

Open competition was not conducive to the expansion of the fur trade and an oligopolistic structure reminiscent of the French system soon reappeared as the only solution.⁴⁷ This led to the formation of the North West Company in the 1780's but already in 1775, those Montreal merchants who had extended their operations as far as the Saskatchewan felt the need for collaboration rather than competition. Again developments in the more remote frontiers of the fur trade foretold of events to occur later in the whole of the trade: the traders on the Saskatchewan were almost all of British origin.⁴⁸ The fur trade was returning to the structures developed by the French, but during the period of competition which followed the Conquest the Canadians were gradually crowded out. There was some irony in that. Why had the Canadians fared so badly?

The Attitude of Government Officials

Much has been made of the natural sympathies of Murray and Carleton towards the Canadians and their antipathies towards the traders of their own nation. Yet for all their ideological inclinations there is no evidence that the governors turned their sentiments into policies of benevolence for Canadians in trade matters. Rather, it is easier to discover, among the lesser officials and some of the more important ones as well, an understandable patronizing of British rather than Canadian merchants. Colonial administrators may not have set a deliberate pattern of preference in favor of British merchants. But the Canadian merchants of Montreal, who put great store by official patronage, cared not whether the policy was deliberate or accidental; the result was the same.

Official preferences played against the Canadian traders in many ways. First, the lucrative trade of supplying the military posts was given to British

and American merchants as a matter of course, and this occasion for profit was lost to the Canadians. Under the French regime some of the Montreal merchants, notably the Monières and the Gamelins, had profited from that trade.⁴⁹ Now it fell out of Canadian hands. This advantage did not shift to the sole favor of the British merchants of Quebec. New York and Pennsylvania traders were also awarded their share of the trade. The firms of Phyn, Ellice of Schenectady and Baynton, Wharton, and Morgan of Philadelphia received the lion's share of that business while the upper country was under the jurisdiction of Sir William Johnson.⁵⁰ But this was of little comfort to the Canadians.

Less tangible by-products of the British occupation of the former fur trading areas of New France are more difficult to assess than the loss of the supply trade; they were, however, quite real. One was the British military's attitude towards Canadians. The military were wary of French-speaking traders in Illinois and on the Mississippi. Although the French from Canada had been vanquished, French traders in the interior could still deal with France through New Orleans. No regulations, no boundaries could restrain French traders operating out of Louisiana from dealing with the Indians, and the Canadians who were confined to the posts protested against the advantage held by the French traders.⁵¹ But who were these French traders? Did they not include Canadian *coureurs de bois* and wintering merchants? How could one really tell a French-speaking trader from Canada from a French-speaking trader out of New Orleans? Were not all of them suspect of exciting the Indians against the British, promising and perhaps hoping for France's return to America?⁵² As late as 1768, when Indian discontent in the West threatened another uprising, General Gage failed to see any difference between French-speaking Canadians and the French from New Orleans:

There is the greatest reason to suspect that the French are Endeavoring to engross the Trade, and that the Indians have acted thro' their Instigation, in the Murders they have committed, and the Resolutions we are told they have taken, to suffer no Englishman to trade with them. And in this they have rather been Assisted by the English Traders, who having no Consideration but that of a present gain, have thro' fear of exposing their own Persons, or hopes of obtaining greater influence with the Indians, continually employed French Commissarys or Agents, whom they have trusted with Goods for them to Sell at an Advanced price in the Indian Villages.⁵³

Gage's suspicions of the French traders were nurtured by Sir William Johnson, who had to keep the Indians on peaceful terms with one another and with the British. It was part of Johnson's function, of course, to worry about possible uprisings and about subversive individuals. His job would be

made easier if he could confine all traders to military posts where they could be kept under surveillance. But the traders had little concern for Sir William's preoccupations. If British traders were irresponsible in their desires of "present gain," the Canadian traders' vices were compounded by the uncertainty of their allegiance to the British Crown:

Since the Reduction of that Country [Canada], we have seen so many Instances of their [the Canadian traders'] Perfidy false Stories & C^a. Interested Views in Trade that prudence forbids us to suffer them or any others to range at Will without being under the Inspection of the proper Officers agreeable to His Majesty's Appointment . . .⁵⁴

Johnson's attitude spread to the officers under him, even though Carleton had found nothing reprehensible in the Canadians' behavior.⁵⁵ Johnson's deputy, George Croghan, believed there was collusion between the French from Canada and the French from Louisiana.⁵⁶ In 1763 the commandant at Michilimackinac, Major Etherington, had displayed a similar mistrust of the Canadians.⁵⁷ Major Robert Rogers, a later commandant at Michilimackinac, checked the Canadians by trading on his own account.⁵⁸

The British military's mistrust of the French traders from Canada was understandable. Before 1760, one of the major reasons for the American colonials' antagonism towards New France had been the French ability to press the Indians into their service to terrorize the western fringes of American settlement. Thus there was a historical as well as a tactical basis for the military's attitude towards the Canadians. But British officers failed to recognize that not all Canadian traders were potential troublemakers and that there was indeed very little tangible evidence, as Carleton had reminded Johnson, of any mischief on their part. The military's attitude was directed as much by ethnic prejudice as by military necessity.

The Canadian traders could not fail to perceive this prejudice, and it dampened their spirits. Perhaps the military's attitude, as much as competition, forced the Canadians into partnerships with British merchants. (The express purpose of the bonds required for the fur trade was to ensure loyal conduct; what better token of loyalty could there be for a Canadian trader than a bond taken out in his name by a British partner?) The military's mistrust of the Canadian traders did not lessen with time. The advantage which this prejudice gave British traders would continue for some twenty years after the Conquest, as the American Revolution rekindled the military's fears of treasonable conduct by the Canadians.

Other patronage relationships between British military officials and British traders also deprived the Canadians of an equal chance in the

competition for furs. It is hard to evaluate precisely the effect of such patronage; only glimpses of it may be caught. Late in 1763 a Philadelphia merchant who had lost heavily because of Pontiac's uprising wrote to William Edgar in Detroit that Croghan was in England where he was to "represent the Case of the Traders to his Majesty" and that General Amherst had "given us his faithful promise that he will do everything in his power in our behalf."⁵⁹ In 1765 Alexander Henry was granted the exclusive trade of Lake Superior by Major Howard, the military commandant at Michilimackinac. Nine years later Henry received the support of such patrons as the Duke of Gloucester, the consul of the Empress of Russia in England, and of Sir William Johnson in an ill-fated attempt to mine the iron ore of the Lake Superior area.⁶⁰

These were obvious examples of patronage; other forms of cooperation were less visible. Another correspondent of William Edgar, Thomas Shipboy, asked Edgar to represent him in settling the affairs of a correspondent at Detroit and at Michilimackinac where, he added, "if you find any Difficulty in procuring his effects I dare say the Commanding officer will be of Service to you if you inform him in whose [sic] behalf you are acting . . ."⁶¹ Benjamin Frobisher also asked Edgar to "use your Interest with Capt. Robinson" to put a shipment of corn aboard the government vessel which sailed from Detroit to Michilimackinac.⁶² Such shipping space was scarce and was only available through the courtesy of military officers or the ships' captains. Here again British traders put their social connections to good use. A last resort was sheer military force. Out on the Miami River, the trader Hamback saw "little hope of getting any thing from [Fort] St. Joseph at all, if I don't get protected, by the Commanding Officer, who might easily get those [Canadian] rascals fetch'd down to Detroit if He would . . ."⁶³

None of this patronage appears to have been available to Canadians. It is impossible to ascertain the degree to which military suspicions and patronage lessened the Canadians' chances in the fur trade. But more important, perhaps, than the actual loss of opportunities was the psychological handicap imposed upon the Canadians. What heart could they put in the game when the dice were so obviously loaded?

The Merchants' Political Activities

The enmity between British merchants and the military, the merchants' growing agitation in favour of "British liberties" and their sentiments of political self-importance have been ably told by others and need not be retold here.⁶⁴ What needs to be underlined is that political agitation was unfamiliar to the Canadians. They had had no experience in

these matters under French rule. Only on rare occasions during the pre-Conquest years had the Canadian merchants engaged in collective political representations; such representations were elicited by the governor or the intendant to obtain the merchants' advice on specific issues.⁶⁵ As French subjects, the Canadian merchants of Montreal had lacked the power to foster their economic interests through collective political action.

After 1760, the Canadian merchants would gradually lose their political innocence under the influence of the British merchants. During the thirty years which followed the Conquest they would make "l'apprentissage des libertés anglaises" and in 1792 they would take their place in the newly-created legislative assembly more cognizant of the workings of the British constitution than the British had expected.⁶⁶ But that is beyond the concern here. In the years preceding the American Revolution the Montreal merchants were still looking for bearings. They showed their growing political awareness by following in the *Quebec Gazette* the political and constitutional debates which were rocking the British Empire. The merchants also began to voice their concerns in petitions and memorials to the authorities in the colony and in London.

The *Quebec Gazette* was the province's official gazette and its only newspaper before 1778. The paper published public notices for the Montreal district and occasional advertisements sent in by Montrealers as well as matters of concern to Quebec residents. It also made an effort to publish Canadian news of a general character. It closely followed the debates raging across the Atlantic over the Stamp Act and the general issues of colonial taxation. It reported on changes in the Imperial government and on contemporary political issues in England, notably the Wilkes affair.⁶⁷

The pages of the *Gazette* also served on occasion as a forum for political discussion. In September 1765 a "Civis Canadensis" declared his puzzlement at all the talk of "British liberties" and asked for enlightenment. The following year, a Quebec resident wrote a series of letters arguing that the colony should not be taxed.⁶⁸ In 1767, a debate arose on the British laws relating to bankruptcy and their applicability in Quebec.⁶⁹ Because of the pressures of Governor Carleton the *Gazette* stifled its reporting of controversial issues after 1770 and thereafter had little to print about American affairs.⁷⁰ In 1775 the *Gazette's* political outpourings were directed against the American rebels and towards securing the loyalty of those Canadians who might be seduced by revolutionary propaganda.⁷¹ The paper had become more conservative in its selection of the news but those Canadians who read the *Gazette* had been made familiar with the concepts of personal liberty, of "no taxation without representation," of the limited

powers of the sovereign, and of the rights of the people. The *Gazette's* readers most probably included the leading merchants of Montreal.

The *Gazette* was not the only instrument for the learning of British liberties. Anxious to give the appearance of a unanimous disposition among all merchants in Montreal, the British merchants often called on their Canadian confreres to add their names to various memorials and petitions dealing with the political and the economic state of the colony. The Canadian merchants who signed these petitions and memorials represented the top layer of the Canadian mercantile group in Montreal. Those who signed most often were the import merchants and the busy outfitters.

These Canadian merchants followed the political leadership of the British merchants. From 1763 to 1772 their petitions were either literal translations or paraphrased equivalents of petitions drafted by British merchants. It was only in December 1773 that they asserted views different from those of their British counterparts.⁷² They petitioned the King that their "ancient laws, privileges, and customs" be restored, that the province be extended to its "former boundaries," that some Canadians be taken into the King's service, and that "the rights and privileges of citizens of England" be granted to all.⁷³

The Canadians were becoming aware of their own position and were seeking to consolidate it against the attacks of the British element. The demand for the maintenance of the "ancient laws" was designed to counter British demands for British laws and representative institutions. The Canadians opposed the latter since, in their view, the colony was "not as yet in a condition to defray the expences of its own civil government, and consequently not in a condition to admit of a general assembly."⁷⁴ The demand for "a share of the civil and military employments under his majesty's government" came naturally to those who had lived under the French system of patronage. The Canadians had been accustomed to seek official patronage as the main avenue of upward mobility. The prospect of being denied such patronage was "frightful" to them, since they had little familiarity with alternate patterns of social promotion.⁷⁵

In style as well as in content the Canadian merchants' petitions and memorials revealed differences in attitudes between Canadians and British. British memorials and petitions were rarely prefaced by more than the customary "Humbly showeth" and went directly to the point. In their own memorials and petitions, the Canadians first took "the liberty to prostrate themselves at the foot" of the royal throne and surrendered themselves to the "paternal care" of their sovereign. They often appealed to the wisdom,

justice, and magnanimity of the King.⁷⁶ Their formal posture of meekness contrasted sharply with the self-assertion of the British. The Canadians' "Habits of Respect and Submission," as one British official put it,⁷⁷ may well have endeared them to Murray and Carleton, but those habits constituted a psychological obstacle against their making full use of their new-found "British liberties" to foster their own economic interest.

Conclusion

With the fall of Montreal to British arms in September 1760 something was irrevocably lost to the Canadian merchants of that city. More than the evil effects of the war, the tribulations over the fate of the Canada paper, or the post-war commercial readjustments, the most unsettling consequence of the Conquest was the disappearance of a familiar business climate. As New France passed into the British Empire, the Montreal outfitters were thrown into a new system of business competition, brought about by the very numbers of newly-arrived merchants, unloading goods in the conquered French colony and going after its enticing fur trade. In opening up the trade of the colony to competition, the British presence transformed Canadian commercial practices. The change negated the Canadian merchants' initial advantage of experience in the fur trade and created a novel business climate around them.

Competition in trade, the new political regime, the Canadian merchants' inability to obtain the favors of the military, all these created a mood of uncertainty and pessimism among the Montreal merchants. The merchants could only conclude from what was happening around them that the new business climate of the post-Conquest period favoured British traders at their expense. They can be understood if they were not eager to adapt their ways to the new situation.

It may be argued, of course, that the changes which produced the new situation are subsumed under the notion of "Conquest" and that the previous pages only make more explicit the "decapitation" interpretation advanced by the historians of the "Montreal school."⁷⁸ It is true enough that the new business climate described here may not have been created after the Seven Years' War had Canada remained a French possession. But there is no guarantee that other changes would not have affected the Montreal merchants. During the last years of the French regime they had reaped few profits from the fur trade. After the Conquest they continued in the fur trade much on the same scale as before. The Montreal merchants were not "decapitated" by the Conquest; rather, they were faced in very short succession with a series of transformations in the socio-economic structure of

the colony to which they might have been able to adapt had these transformations been spread over a longer period of time.

This paper has attempted to show that the fate of the Canadian merchants of Montreal after the Conquest followed from the nature of trade before the Conquest and from the rate at which new circumstances required the merchants to alter their business behaviour. But it should be remembered that the decapitation hypothesis still remains to be tested in the area of the colony's economy which was most heavily dependent upon the control of the metropolis, the import-export trade of the Quebec merchants. Only a detailed examination of the role and the activities of the Quebec merchants, both before and after the Conquest, will fully put the decapitation hypothesis to the test.

NOTES

¹ Public Archives of Canada [hereafter PAC], C.O.42, vol. 27, f. 66, Carleton to Shelburne, Quebec, 25 November 1767; quoted in A.L. Burt, *The Old Province of Quebec* (2 vols. Toronto, 1968), I, p.142.

² See Burt, *Old Province*, I, Chapter VI; Dale B. Miquelon, "The Baby Family in the Trade of Canada, 1750-1820" (Unpublished Master's thesis, Carleton University, 1966), pp.145-146.

³ Francis Parkman, *The Old Regime in Canada* (27th ed. Boston, 1892), Chapter XXI, especially pp. 397-398.

⁴ W. Stewart Wallace, ed., *Documents Relating to the North West Company* (Toronto, 1934); Wallace, *The Pedlars From Quebec and Other Papers on the Nor'Westers* (Toronto, 1954); E.E. Rich, *The Fur Trade and the Northwest to 1857* (Toronto, 1967); Rich, *The History of the Hudson's Bay Company*, II (London, 1959); D.G. Creighton, *The Empire of the St. Lawrence* (Toronto, 1956).

⁵ Wayne E. Stevens, *The Northwest Fur Trade 1763-1800* (Urbana, Ill., 1928), p.25.

⁶ Fernand Ouellet, *Histoire économique et sociale du Québec 1760-1850* (Montreal, 1966), p.77.

⁷ *IBID.*, pp.104-106.

⁸ Michel Brunet, *Les Canadiens après la Conquête, 1759-1775* (Montreal, 1969), pp.173-174, pp.177-180.

⁹ Miquelon, "The Baby Family," p.158.

¹⁰ *IBID.*, p.142.

¹¹ The implication is unwarranted. A given economic sector can be dynamic and even produce the largest share of marketable commodities and still provide individual entrepreneurs with meager profits. The macro-economic level of analysis should not be confused with the micro-economic level. Jean Hamelin showed that only around 28 percent of the profits from the beaver trade remained in Canada. Since the Canadians had an assured market for beaver, one can wonder how much more profitable it was for them to deal in other peltries. See Hamelin, *Economie et Société en Nouvelle-France* (Quebec, 1960), pp.54-56.

¹² The obvious economic explanation for the downfall of the Canadian merchants after the Conquest has to be dismissed. The liquidation of Canadian paper

money by France hurt most of all those British merchants who bought it from Canadians for speculation. Canadian merchants had already compensated in part for the anticipated liquidation by raising prices during the last years of the Seven Years' War. Those Montreal merchants who had the greatest quantity of French paper were not driven out of business; on the contrary the most prominent merchants were able to open accounts with British suppliers soon after the Conquest without too much difficulty. See José E. Igartua, "The Merchants and *Négociants* of Montreal, 1750-1775: A Study in Socio-Economic History" (Unpublished Ph.D. thesis, Michigan State University, 1974), Chapter VI.

¹³ Franquet, *Voyages et mémoires sur le Canada en 1752-1753* (Toronto, 1968), p.56.

¹⁴ For a more elaborate description of the size and the socio-economic characteristics of the Montreal merchant community at this time, see Igartua, "The Merchants and *Négociants* of Montreal," Chapter II.

¹⁵ See H.A. Innis, *The Fur Trade in Canada* (Rev. ed. Toronto, 1956), pp.107-113.

¹⁶ See Abraham Rotstein, "Fur Trade and Empire: An Institutional Analysis" (Unpublished Ph.D. thesis, University of Toronto, 1967), p.72.

¹⁷ Innis, *Fur Trade*, p.117. For his discussion of the impact of war on the fur trade and on New France, see pp. 114-118.

¹⁸ In theory, the French licensing system set up to restrict the trade remained in operation from its re-establishment in 1728 to the end of the French regime; only twenty-five *congés* were to be sold each year. In practice, military officers in the upper country could also acquire for a modest fee exclusive trade privileges for their particular area. With some care, concluded one author, they could make an easy fortune. See Emile Salone, *La Colonisation de la Nouvelle-France* (Trois-Rivières, 1970), p.390, pp.392-393. No clear official description of the licensing system was found for the period from 1750 to 1760, but the precise way in which the fur trade was restricted matters less than the fact of restriction.

¹⁹ On Charly see PAC, RG 4 B58, vol. 15, 19 September 1764, pass by Governor Murray to "Monsr. Louis Saint-Ange Charly [and his family] to London, in their way to France agreeable to the Treaty of Peace . . ."; Archives Nationales du Québec à Montréal [formerly Archives judiciaires de Montréal; hereafter ANQ-M], Greffe de Pierre Panet, 16 août 1764, no. 2190. Trotier Desauniers "Dufy"'s will is in *ibid.*, 29 juillet 1760, no. 1168, and Godet's will is in *ibid.*, 28 décembre 1768, no. 3140.

²⁰ The inventory of Monière's estate is in *ibid.*, 28 décembre 1768, no. 3141; that of L'Huillier Chevalier's in *ibid.*, 15 [?] juin 1772, no. 3867.

²¹ See Alexander Henry, *Travels and Adventures in Canada* (Ann Arbor. University Microfilms, 1966), pp.191-192.

²² W.S. Wallace, *Documents Relating to the North West Company*, Appendix A ("A Biographical Dictionary of the Nor'Westers"), p.456.

²³ See Henry, *Travels*, pp.1-11, p.34.

²⁴ *IBID.*, p.39.

²⁵ *IBID.*, p.50. Cf. the rosier picture painted by Creighton, *The Empire of the St. Lawrence*, p.33.

²⁶ Henry, *Travels*, pp.77-84. The Indians killed the British soldiers but ransomed the British traders, giving to each according to his profession.

²⁷ Henry, *Travels*, pp.264-292.

²⁸ See Wallace, *Documents*, p.456; Milo M. Quaife, ed., *Alexander Henry's Travels and Adventures in the Years 1760-1776* (Chicago, 1921), pp.xvi-xvii.

- 29 Henry, *Travels*, p.11; Quaipe, *Henry's Travels*, p.12 n. 6.
- 30 Rich, *History of the Hudson's Bay Company*, II, p.9.
- 31 See PAC, C.O. 42, vol. 5, ff. 30-31, Murray's "List of Protestants in the District of Montreal," dated Quebec, 7 November 1765.
- 32 See Miquelon, "The Baby Family," pp.181-187.
- 33 PAC, MG 19 A1, 1, William Edgar Papers, vol. 1, p.97, F. Hamback to W. Edgar, 2 November 1766. See also *ibid.*, p.95, Hamback to D. Edgar, 29 October 1766, and pp.104-106, same to Edgar, 23 March 1767.
- 34 *IBID.*, vol. 1, p.12.
- 35 See *IBID.*, vols. 1 and 2.
- 36 R.H. Fleming, "Phyn, Ellice and Company of Schenectady," *Contributions to Canadian Economics*, IV (1932), pp. 7-41.
- 37 See Marjorie G. Jackson, "The Beginnings of British Trade at Michilimackinac," *Minnesota History* XI (September, 1930), 252; C.W. Alvord and C.E. Carter, eds., *The New Regime 1765-1767* (Collections of the Illinois State Historical Library, XI), pp.300-301; Alvord and Carter, eds., *Trade and Politics 1767-1769* (Collections of the Illinois State Historical Library, XVI), pp.382-453.
- 38 See "Extract of a Letter from Michilimackinac, to a Gentleman in this City, dated 30th June," in *Quebec Gazette*, 18 August 1768; see also Rich, *History of the Hudson's Bay Company*, II, p.26: "The suspicions between the Pedlars [from Quebec], and their encouragements of the Indians to trick and defraud their trade rivals, especially by defaulting on payments of debt, were widespread and continuous."
- 39 *Quebec Gazette*, 7 January 1768.
- 40 Burt, *Old Province*, I, p.92.
- 41 The flooding of the Quebec market by British merchants was part of a larger invasion of the colonial trade in North America. See Marc Egnal and Joseph A. Ernst, "An Economic Interpretation of the American Revolution", *William and Mary Quarterly*, Third Series, XXIX (1972), pp.3-32.
- 42 Quoted in Alvord and Carter, eds., *Trade and Politics*, p.288.
- 43 *IBID.*, p.38.
- 44 Quoted in E.E. Rich, *Montreal and the Fur Trade* (Montreal, 1966), p.44.
- 45 These figures are somewhat distorted by the inclusion of a single large British investor, Alexander Henry, who outfitted seven canoes worth £3,400 in all. See Charles E. Lart, ed., "Fur-Trade Returns, 1767," *Canadian Historical Review*, III (December, 1922), pp.351-358. The definition of the North West as including Lake Huron, Lake Superior, and "the northwest by way of Lake Superior" given in Rich, *Montreal and the Fur Trade*, pp.36-37, was used in making these compilations. The French traders were "Deriviere," "Chenville," St. Clair, Laselle, "Guillaid [Guillet]," and "Outlass [Houtelas]."
- 46 See Rich, *Montreal and the Fur Trade*, pp.36-37.
- 47 Jackson, *Minnesota History*, XI, pp.268-269.
- 48 Rich, *History of the Hudson's Bay Company*, II, p.68.
- 49 On the Monières, see Igartua, "The Merchants and *Négociants* of Montreal," Chapter II. On the Gamelins, see Antoine Champagne, *Les La Vérendrye et les postes de l'ouest* (Quebec, 1968), *passim*.
- 50 See R.H. Fleming, *Contributions to Canadian Economics*, IV, 13; on Baynton, Wharton and Morgan, see *The Papers of Sir William Johnson* [hereafter *Johnson Papers*], 14 vols., (Albany, 1921-1965), V, VI, XII, *passim*.
- 51 PAC, C.O. 42, vol. 2, ff. 277-280, petition of the "Merchants and Traders of Montreal" to Murray and the Council, Montreal, 20 February 1765; *Johnson Papers*, V, pp.807-815, memorial and petition of Detroit traders to Johnson, 22 November 1767;

XII, pp.409-414, 1768 trade regulations with the merchants' objections.

⁵² See Alvord and Carter, eds., *The New Regime*, pp.118-119, and *Trade and Politics*, p.39, p.287; see also Stevens, *The Northwest Fur Trade*, p.44.

⁵³ *Johnson Papers*, XII, p.517, Thomas Gage to Guy Johnson, New York, 29 May 1768.

⁵⁴ *IBID.*, V, p.481. See also Alvord and Carter, eds., *The New Regime*, pp.118-119; *Johnson Papers*, V, p.362; Alvord and Carter, eds., *Trade and Politics*, p.39; *Johnson Papers*, V, pp.762-764; XII, pp.486-487; Stevens, *The Northwest Fur Trade*, p.28.

⁵⁵ PAC, C.O. 42, vol. 27, ff. 81-85, Carleton to Johnson, Quebec, 27 March 1767.

⁵⁶ *Johnson Papers*, XII, pp.372-375, Croghan to Johnson, 18 October 1767.

⁵⁷ Henry, *Travels*, pp.71-72.

⁵⁸ See PAC, C.O. 42, vol. 26, f. 13, Court of St. James, Conway [Secretary of State] to the Commandants of Detroit and Michilimackinac, 27 March 1766. See also Alvord and Carter, eds., *Trade and Politics*, pp.207-208, Gage to Shelburne, 12 March 1768; p.239, Johnson to Gage, 8 April 1768; p.375, Gage to Johnson, 14 August 1768; p.378, Gage to Hillsborough, 17 August 1768; p.384, Johnson to Gage, 24 August 1768; p.599, Gage to Hillsborough, 9 September 1769. More than trading on his own account, Rogers was suspected of setting up an independent Illinois territory. He was eventually cleared. See "Robert Rogers," *Dictionary of American Biography*, XVI (New York, 1935), pp.108-109, and *Johnson Papers*, V, VI, XII, XIII, *passim*.

⁵⁹ PAC, William Edgar Papers, vol. 1, pp.43-44, Callender to Edgar, n.p., 31 December 1763.

⁶⁰ Henry, *Travels*, pp.191-192, p.235.

⁶¹ PAC, William Edgar Papers, vol. 1, p.90, Thos. Shipboy to Rankin and Edgar, Albany, 21 August 1766.

⁶² *IBID.*, p.201, Benjamin Frobisher to Rankin and Edgar, Michilimackinac, 23 June 1769.

⁶³ *IBID.*, pp.104-106, F. Hamback to Edgar, 23 March 1767.

⁶⁴ The most detailed account is given in Burt, *Old Province*, I, Chapters VI and VII. See also Creighton, *Empire of the St. Lawrence*, pp.40-48.

⁶⁵ See for instance E.-Z. Massicotte, "La Bourse de Montréal sous le régime français," *The Canadian Antiquarian and Numismatic Journal*, Third Series, XII (1915), pp.26-32.

⁶⁶ See Pierre Tousignant, "La Genèse et l'avènement de la Constitution de 1791" (Unpublished Ph.D. thesis, Université de Montréal, 1971).

⁶⁷ See the *Quebec Gazette* of 15 September 1766 and the issues from June to September 1768.

⁶⁸ See *Quebec Gazette*, 26 September 1765. Tousignant, "La Genèse," pp.21-39, points out the political significance of this letter.

⁶⁹ See texts by "A MERCHANT" in the 10 and 17 December 1767 issues, and rebuttals in the 24 and 31 December 1767 and 7 and 21 January 1768 issues.

⁷⁰ Tousignant, "La Genèse," p.39.

⁷¹ See issues of 13 and 27 July, and 5 October 1775.

⁷² Canadian notables of Quebec broke with the "Old Subjects" earlier: a petition, thought to date from 1770 and signed by leading Canadians of that city, asked for the restoration of Canadian institutions. See Adam Shortt and Arthur G. Doughty, *Documents Relating to the Constitutional History of Canada* (2nd. ed. Ottawa, 1918) [hereafter *Docs. Const. Hist. Can.*], I, pp. 419-421.

⁷³ The petition and the memorial are reproduced in *Docs. Const. Hist. Can.*, I,

pp.504-506, pp.508-510.

⁷⁴ *IBID.*, I, p.511. The British merchants of Montreal signed a counter-petition in January 1774, requesting the introduction of an assembly and of the laws of England. See *ibid.*, I, pp.501-502.

⁷⁵ Recent historians have highlighted the influence of the military and civil administrations as sources of economic and social betterment in New France. See Guy Frégault, *Le XVIII^e siècle canadien* (Montreal, 1968), pp.382-384; W.J. Eccles, "The Social, Economic, and Political Significance of the military Establishment in New France," *Canadian Historical Review*, LII (March, 1971), pp.17-19; and Cameron Nish, *Les Bourgeois-Gentilhommes de la Nouvelle-France* (Montreal, 1968), *passim*.

⁷⁶ See PAC, C.O. 42, vol. 24, ff. 72-73v.; *ibid.*, ff. 95-95v; *ibid.*, vol. 3, f. 262; *Docs. Const. Hist. Can.*, I, pp.504-508.

⁷⁷ See *Docs. Const. Hist. Can.*, I, p.504.

⁷⁸ Maurice Séguin, of the History Department of the Université de Montréal, was the first to present a systematic interpretation of the Conquest as societal decapitation. His book, *L'Idée d'indépendance au Québec: genèse et historique* (Trois-Rivières, 1968), which contains a summary of his thought, was published twenty years after its author first sketched out his thesis. Guy Frégault's *Histoire de la Nouvelle-France, IX. La guerre de la Conquête, 1754-1760* (Montreal, 1955) is a masterful rendition of that conflict, cast as the *affrontement* of two civilizations. Michel Brunet, the most voluble of the "Montreal school" historians, has assumed the task of popularizing Séguin's thought. See Brunet, "La Conquête anglaise et la déchéance de la bourgeoisie canadienne (1760-1793)," in his *La Présence anglaise et les Canadiens* (Montreal, 1964), pp.48-112. Brunet developed the point further in *Les Canadiens après la Conquête, I: 1759-1775* (Montreal, 1969). An abridged version of Brunet's position is provided in his *French Canada and the Early Decades of British Rule, 1760-1791* (Ottawa, 1963). For a review of French-Canadian historiography on the Conquest up to 1966, see Ramsay Cook, "Some French-Canadian Interpretations of the British Conquest: une quatrième dominante de la pensée canadienne-française," *Canadian Historical Association Historical Papers*, 1966, pp.70-83.