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Development of a mature securities market in Montreal from 1817 to 1874

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An organised market for financial securities in Montreal prior to 1874 developed slowly because finance of major infrastructure projects was carried out in London, not Montreal. Growth was not driven by speculation or tempered by successive boom and bust; this makes the Montreal experience practically unique in the history of finance. The Montreal Board of Trade was the focus of commercial activities that eventually evolved through increased specialisation to a stock market. Some businessmen who called themselves brokers traded stocks and bonds for their own account but not on commission since trading volume was too low for any form of auction to take place.

Keywords: securities; stocks; bonds; exchanges; finance; Canada; history; banks

Introduction

One recent debate among economic historians concerns the relative importance of stock markets and banks for economic development. Atze and Jovanic studied the economies of 40 countries between 1980 and 1988, and found ‘a large effect of stock markets on subsequent development’ (Atze & Jovanovic, 1993, p. 636). Bank lending did not have a similar effect. Levine and Zervos studied the period 1976 to 1993 and concluded that ‘stock market liquidity and banking development are positively and robustly correlated with ... economic growth, capital accumulation, and productively growth’ (Levine & Zervos, 1998, p. 554). The increasingly important role of stock markets was partly a result of the revival of global securities markets after 1970, which was stimulated by a move to regulation from control, according to Michie (2006, p. 334). This relative importance was not always the case, as can be attested by the lack of stock market treatment in general economic histories.

In his definitive history of the global securities market, Michie identified six distinct phases of evolution. The first period began about the twelfth century. Securities trading was mainly based on government debt and bills of exchange, and became centred on Amsterdam (Michie, 2006, p. 333). A major turning point occurred in 1720 with speculative mania causing a market collapse (Michie, 2006, p. 34). The second period lasted from 1720 to the end of the Napoleonic wars in 1815. Important securities markets developed in London, Paris and New York during the early part of this interval. The turmoil of war in the period 1789–1815 caused another major collapse of the securities market (Michie, 2006, p. 60).

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There is little question that trading and investment in financial securities could be considered respectable prior to 1815, since it was seen by most observers as just another form of outright speculation. According to McMiller (1996, p. 199), at the time of the tulip mania in 1636, 'the boundaries between unsystematic gambling and organised stock-market trade were vague.' Trading financial securities was compared to other forms of gambling which were widespread in European society. Lotteries were for instance a common vehicle of government finance (Brenner, 1990, pp. 9–13). They were run by the governments of Venice and England in the sixteenth century. In the early seventeenth century, James I organised a lottery to finance the Virginia Company. Brenner suggested that in early nineteenth century Britain, brokers who bought large blocks of lottery tickets from government contractors for resale eventually became stock brokers (Michie, 2006, p. 14). The evolution of the insurance business in the eighteenth century was another form of speculation. Betting on horse races became widespread in the nineteenth century.

The third period spans the era of relative peace in Europe from 1815 to 1914. A major impetus was given to securities markets in Europe and the United States during the 1840s by the rising demand for railways and the introduction of the telegraph (Michie, 2006, p. 80). There was at about the same time a significant rise in the use of joint-stock company financing in England after Parliament greatly simplified the process of formation. By 1870, the stock exchange and trading in financial securities had become respectable (Michie, 2007, pp. 2–3). While Michie details further growth of the securities business within this and later periods, it is this approximate milestone which is the end-point of this essay. We examine the particular case of the Montreal Stock Exchange (MSE) and how it evolved from rudimentary forms of securities trading to a functioning stock market with brokers dedicated to business in financial securities.

There is a considerable literature which addresses the history of major stock exchanges such as London, New York and Paris. Of lesser interest have been the smaller stock exchanges, referred to for instance by W.A. Thomas (1973) as the provincial stock exchanges. Many of these were started up during a particular boom such as railway construction or the discovery of a new mineral source. When the boom subsided they disappeared or their operations were absorbed by the major exchanges. Another category of stock exchanges which has not been as extensively studied are those national exchanges whose growth was retarded because financing of important infrastructure projects was carried out in the major centres of finance. As industrial, service and resource based enterprises grew and sought financing from the public, these stock exchanges grew with them and became permanent features of their local economies.

Michie (1989, p. 630) indirectly suggested this category in his review of the history of the Sydney, Australia stock exchange. Joint-stock companies' shares were traded in New South Wales from 1817, with banks, gas companies and steam ships predominating. Specialised stock brokers emerged around 1850. When railways came to Australia, they were financed in London due to the scope of the financing required. The timing and character of this history is strikingly similar to that of the MSE.

An important focus of this study of the MSE is an attempt to assess how much of the trade in securities was actually carried out by the brokers. Most stock exchange histories seem to be written from the perspective of the brokers in the sense that they were the logical and by implication exclusive facilitators of securities transactions. Exchanges were organised by stock brokers to promote their services, stabilise fees and limit access to trading. In his study of early Canadian securities markets, Michie implied that a critical mass both of organisations issuing transferable securities and wealth of potential investors would be necessary for the establishment of brokers and exchanges (Michie, 1988, p. 36).

His essay suggested that this occurred somewhere after 1850 in Canada but he is not specific; his analysis is concentrated in the period after 1870 when his preconditions were presumably met. Michie also stated that stock exchange history began once a formal system for trading securities was established (Michie, 1999, p. 3). However, as the historian of early Canadian banking Adam Shortt said (1897, p. 129): 'Banking facilities do not burst upon the business community as a quite new and undeveloped service: they simply afford an easier, more effective and generally less costly manner of rendering services which are already performed in more or less primitive fashions.' This was also true of security exchanges. One objective of this essay is to elucidate how security trading activity did take place in the period before that which particularly interested Michie. There was exchange of shares but Montreal had essentially an over-the-counter market. This study begins with the year 1817 when the Bank of Montreal, the first Canadian joint-stock company was established. It ends in 1874, when the Montreal Stock Exchange was legally incorporated.

Background and summary

The completion of the Erie Canal in 1825 by the United States spurred Canadians to build a competing network of canals between the Great Lakes and Montreal. The capital demand for these projects was too great to be satisfied by local supply. The next wave of infrastructure investments was for railway construction and government debt to support it; from the 1830s to the 1870s this soaked up even larger sums. Michie explained that the financing required was almost exclusively arranged in London. Trading in these securities was more significant in the New York over-the-counter market than in Montreal or Toronto (Michie, 1988, p. 40).

Prior to the 1870s, Canadian investors' interest was principally in bank shares. Until the 1840s, trading in the shares of the banks was done directly between shareholders, often with the bank's directors or employees as intermediaries. The 1840s was a decade of commercial growth and evolution towards more modern stock trading practices started in Montreal during this period. Stimulated by expansion of agriculture in Upper Canada and improvements in communications, a major upswing in commodities trading through Montreal occurred. From among the merchants, a small number of general brokers established themselves. Their main business was dealing in commodities indirectly on a commission basis. They might also have performed agency functions for their clients through currency exchange transactions, buying and selling bills of exchange, and selling insurance. It is not surprising that with their many contacts in the mercantile community, they also occasionally handled stocks and bonds which might be part of a larger commercial settlement.

One indication that brokers were evolving as mercantile professionals was the formation of the Board of Brokers in 1848. Its members were closely associated with the Montreal Exchange, which they used as a meeting place after it was built in 1853. The creation of the Corn Exchange in 1862 reflected increased specialisation among the brokers; members of the Board of Brokers who evolved away from staples toward financial intermediation formed the Board of Stock Brokers at the same time. The Board of Stock Brokers began calling itself the Montreal Stock Exchange in 1870, and the latter was legally incorporated in 1874.

At each stage in the increased specialisation of businessmen, the Montreal Board of Trade played an important role. The objective of this paper is to describe how this evolution came about and to show that by the mid-1870s there was a mature securities

market in Montreal. By this is meant that three conditions had been satisfied: there was a core group of individual brokers who made their living primarily trading securities; certain brokers were involved directly in the marketing of new issues to the public; and the securities business in Montreal was recognised as an important pillar of the Montreal financial community.

From what has been published about the pre-history of Canadian stock exchanges, two perspectives can be discerned. The first dealt with the period prior to the mid-1860s, when brokers traded securities as a small sideline; the significance of this activity was typically exaggerated in order to magnify the importance of the securities business. In his study of the Toronto Stock Exchange (TSE), John Whiteside (1985, pp. 64–65) stated that most scholarly writing on TSE history ‘tended to follow the interpretations of the journalists, brokers, and Stock Exchange.’ ‘The result has been that the history of the Exchange, as it is currently recorded, is anachronistic, including much that is mythical.’ Most sources assign the date of the earliest stock trading in Montreal rather later than was actually the case. According to its own website, ‘The Montreal Stock Exchange is established under Charter, after more than 40 years of informal trading, primarily in railroad and bank securities.’¹ It states further that in 1832, ‘The first stock transactions in Montréal take place at the Exchange Coffee House.’ The MSE citation referred to the launch of the Champlain and St. Lawrence Railway in 1832. Edgar Collard (1974), Carl Bergithon (1940) and John Johnson (1934, p. 13) implied that this marks the beginning of stock trading in Montreal.² Collard,³ Bergithon,⁴ Edward Neufeld⁵ and Johnson⁶ all made vague and inaccurate reference to the formation of the Board of Brokers. The closest to the mark was probably Gerald Tulchinsky who said (1977, p. 30): ‘A number of Montreal merchants who traded shares and securities had been meeting regularly since the forties, and were probably the same group which had come together in 1849 to seek incorporation as the Merchant’s Exchange and Reading Room of Montreal.’ He referred to the Board of Brokers as ‘an association of produce dealers through whom a large proportion of Montreal’s export trade of staples was conducted by 1850.’

The second perspective describes the period after the 1860s when there were brokers dedicated to securities trading. Most essayists find rampant speculation and deception of the public by market insiders. In his history of Canadian business, Tom Naylor (1975, p. 210) wrote: ‘It was a standard technique of the brokerage firms of the day when manipulating bank stock to get together and sell large amounts of a particular stock which they did not own in the expectations that the effect would be to depress its value, at which point the brokers would buy cheap and fill the sales orders they had already contracted to fulfill.’ He copied almost verbatim the argument presented in his source, which was a *Monetary Times* article (26 March 1880, p. 1143).

What Naylor referred to is short selling, a speculative activity that was already common in London and New York. In practice, the short seller actually borrows the shares from a broker, sells them, and hopes to pay the broker back when he can buy the shares at a lower price. Short selling is not necessarily manipulating the market. As will be shown later, nineteenth century stockbrokers in Montreal kept their share inventory low and were in no position to loan shares for short selling. Naylor continues by suggesting that this practice caused the failure of broker C. Dorwin and Co. His source in the *Monetary Times* (18 March 1869, p. 492) made no reference to questionable stock trading practices and was separated by 11 years from the earlier reference. The second article referred to C. Dorwin and Co. as brokers but not specifically as stockbrokers; the *Montreal Directory* of 1869 listed no such enterprise among the 13 members of the Board of Stock Brokers.⁷

In a similar vein, Christopher Armstrong's *Blue skies* (1997) highlighted the seamier side of the brokerage business. In his review of the book, Randal Michie (2004) noted that 'Instead of being a history of the Canadian Securities market from 1870 to 1940, which I was expecting, this book concentrates, almost exclusively, upon the high pressure and/or fraudulent techniques employed to sell speculative mining securities to the investing public.'

This study attempts to expand on what has been written about securities trading in Montreal and is divided into four periods. Until the early 1840s, there was no formal market for stocks and bonds. In the 1840s, commodity brokers emerged for whom the securities business was a minor sideline. During the 1850s and 1860s, the use by capitalists of joint-stock company financing grew along with interest by the Montreal investing public in securities; accordingly, brokers became more active in this business. By the early 1870s, issuing and trading stocks and bonds had become a significant element of the Montreal business scene.

Canadian financial securities before the 1840s

The trend to modern forms of capitalist institutions got under way in Canada after the war of 1812. The financial situation for merchants before this turning point was by modern standards quite backwards. Hard currency as a medium of exchange was scarce and what was available was diverse and of uncertain value. There were no banks, but as Adam Shortt explained, merchants assumed their functions. 'The larger importers in Montreal discharged all the ordinary functions of a banker for their regular customers, the merchants of the upper province. They received deposits of money and bills, made payments to order, and advanced loans or credits, to be met later by produce, bills, or cash' (Shortt & Doughty, 1914–1917, p. 605, as quoted in Neufeld, 1972, p. 72).

Soon after the war of 1812, there was an effort to organise chartered banks in the Province of Canada. The first of these was the Bank of Montreal. Its archives contain detailed records of stock trading throughout the period under study. Bank of Montreal shares were also the most frequently traded security in Montreal prior to 1874. After several unsuccessful efforts by businessmen to get legislative approval to incorporate a bank in both Upper and Lower Canada, the Bank of Montreal was launched in 1817 as a private bank. It was founded at a time when business conditions continued to be poor in the aftermath of the Napoleonic Wars. Trade with the United States was dampened because of American protective tariffs and application by Britain of its Navigation Acts. In this environment, the drain of hard currency southward to the United States was accelerated. According to Merrill Denison this was why a significant proportion of the original Bank of Montreal capital had to be raised in the United States (Denison, 1966, p. 92).⁸ He even said: 'Had it not been for Horatio Gates, who was able to place almost half the stock in New York City, Boston and other New England centres, it is possible that the first bank might have died at birth' (Denison, 1966, p. 13).⁹ In only a few years however, most of the share ownership had shifted to Canadians; as with the other Canadian chartered banks that followed, the Bank of Montreal was financed mostly by local capital.

The Montreal Bank's Articles of Association solicited a capitalisation of 5000 shares at £50 each. No individual could own more than 20 shares from the initial subscription. Among the ledger books in the Bank of Montreal archives, the 'First Book' includes a detailed record of all changes in stock ownership.¹⁰ Individual transactions were also recorded in a separate account for each shareholder in a 'Stock Ledger'.¹¹

From opening its doors for business in November 1817, until December 1818, there were a surprising number of stock trades recorded in the Bank's books. There were 209 separate transactions in which a total of 5178 shares changed hands. This total represents slightly over 100% of the 5000 shares issued. With the exception of Horatio Gates, the trading was too widely spread for anyone else to have been engaged in speculation. Horatio Gates' maximum holding reached 425 shares on 3 June 1818. With a 26 August sale to John Gray,¹² the president, Gates' holding actually totalled negative 146 shares. This built up again to 292 shares positive by the end of 1818. It is apparent that Gates worked to ensure there was an active market for the Bank's shares, buying from those who wanted to sell and finding shares for those who wanted to buy. In this way, he protected the investments of the many friends and colleagues he had convinced to support the launch of the Bank.

Gates occasionally used newspaper advertisements to move Bank of Montreal shares. On 17 January 1818, his *Montreal Herald* announcement sought a seller of 50 shares or fewer. Gates was trading stock even before the Bank of Montreal was formed. In April 1816, he offered to buy and sell bank notes, drafts on major American cities, and 'any of the United States Stocks' (*Montreal Gazette*, 22 April 1816). In another announcement two years later, Ralph Taylor offered several shares in the Bank of Montreal and the Bank of Canada (*Montreal Herald*, 6 June 1818). These advertisements represent however, such a small fraction of the actual trade in Bank of Montreal stock, that newspapers could not have constituted an important element of the market.

In subsequent years, there was always someone close to the Bank of Montreal who traded more than any others, as did Horatio Gates at the beginning. Samuel Gerrard¹³ became the Bank's second president in June 1820, and was replaced by John Molson¹⁴ in June 1826. Gerrard was associated with the largest number of trades while he was president: 1821 (18), 1823 (31), 1824 (21) and 1825 (22). These trades were registered in an account entitled 'Samuel Gerrard, President in Trust'. In order to maintain the confidence of investors in Bank stock, Bank officials were actually buying the shares and then reselling them.

In 1830, there were 124 trades of Bank of Montreal Stock in which a total of 1610 shares changed hands. This was a much lower turnover than in the first year of operation. A few months after the bank was launched, the limit of 20 shares per subscriber was removed and many wives, children and other relatives sold their shares to he who had put up the money. Benjamin Holmes,¹⁵ the bank's cashier, participated in the most trades during 1830. He did 24 trades for a total of 373 shares.

By 1840, after the new stock issue of 1837, there were 10,000 shares outstanding. A total of 776 shares were traded in 110 different transactions during 1840. Samuel Gerrard and Benjamin Holmes were involved in the largest number of trades but each had less than ten trades and the number of shares was small. Clearly, the volume of trading was insufficient to support an active market.

The launch of the Bank of Montreal must have answered a pent-up need because by 1822 the Bank of Montreal, Quebec Bank, Bank of Canada, Bank of Upper Canada and the Bank of New Brunswick had all been chartered by their legislatures (Neufeld, 1972, p. 39). With the exception of the Bank of Canada, most of the capital for these commercial banks was obtained in Canada. They took over much of the merchants' banking business because they were able to issue bank notes that became accepted as a medium of exchange.

About the same time that commercial banks were being launched, businessmen were also organising to improve communications among themselves and to lobby governments. The first formal organisation of businessmen in Montreal was the Montreal Board of

Trade. A precursor organisation called the 'Committee of Trade' held its initial meeting on 11 April 1822. The stated purpose for this group was to form 'a standing Committee of Merchants to be authorised by their Constituents to watch over the general interests of the Trade of the country' (AHEC, 'Register and Correspondence of the Committee of Trade', 1822–1828, p. 1). The committee was to consist of 13 members who would be elected annually by ballot. One of the first items of business was to publish on 25 May 1822 the rate of commission for storage and other services. Among these services was listed: 'Purchasing Bills of Exchange, Stock or Specie, with funds in hand ... 1/2 per cent'. Another service was: 'receiving and remitting bank dividends ... 1 per cent' (AHEC, 'Register and Correspondence of the Committee of Trade', 1822–1828, p. 45). This gives an indication that in 1822, transactions involving joint-stock companies were a recognised activity among those who engaged in other financial transactions.

The first annual meeting of the Committee of Trade was held on 6 June 1823 at 'The Exchange, St. Joseph St.'. The Committee's Register does not explain what sort of facility this was, probably because it was familiar to contemporaries. The term 'exchange' was applied to a number of organisations and facilities in nineteenth century Montreal and it deserves further attention. Edward Collard mentioned that subscriptions for the initial share offering of the Champlain and St. Lawrence Railway were accepted at the Exchange Coffee House. He noted: 'It stood at the back of the Exchange Court, and the Court was near the northeast corner of St. Paul and St. Peter Streets, entering from both streets through long narrow passageways' (Collard, 1974, p. 3). For a number of years, the address of the Exchange Coffee House was listed in the *Montreal Directory* (1842–1843, p. 214), as 'Exchange Court, St. Paul St.'.

The locale where the Exchange Court and the Exchange Coffee House could be found was in a particular area of Old Montreal known as the '*secteur des bourses*'.¹⁶ The section of Montreal bounded by Notre-Dame Street to the north, St. Paul Street to the south, St. Pierre Street to the west and St. Sulpice (formerly St. Joseph Street) to the east, was an area where merchants and traders congregated at least by the early nineteenth century. All but a few of the city's brokers had their offices there during the 1840 to 1870 period. The preferred addresses were on St.-François-Xavier, St. Paul and St. Sacrement Streets. The Corn Exchange, the Montreal Exchange, the Montreal Stock Exchange, and Montreal Board of Trade each rented offices and eventually built permanent facilities there.

In the 1820s and 1830s, the Committee of Trade occasionally used the Exchange, St. Joseph Street for annual meetings. In 1836, the meeting place used was referred to as the 'Exchange Reading Room'. Restrained by limited finances, the Committee moved its meeting room frequently to find suitable facilities that it could afford. Other locations included the 'Room over the News Room', a room shared with the Trinity House Committee, and an unnamed room rented from Horatio Gates. Meeting informally in hotels, coffee houses, or newsrooms to carry out exchange business must have been unsatisfactory as the members of the Committee of Trade and later the Board of Trade frequently discussed the matter of finding a more suitable locale. They obviously felt that Montreal could benefit from the sort of facility already existing in other major centres. Changes were coming, but settling on what to do about exchange activities would come slowly.

On 19 March 1842, Royal Assent was given to 'An Act to Incorporate the Montreal Board of Trade'.¹⁷ This was really a formality, as the minutes of the Board do not indicate any change in vocation compared to the predecessor Committee. Among its activities was a decision in August 1843, in which the Board agreed to reprint for the public the scale of taxes, rate of commission, storage etc., as they had done in 1822 and 1832. The Act

referred to its members as the 'Merchants of Montreal'. Most were in traditional partnerships, and an increasing number were investing in joint-stock companies.

The 1830s witnessed an increase in the number of joint-stock financings. The Commercial Bank of the Midland District (Kingston), the City Bank (Montreal) and the Gore Bank (Hamilton) were incorporated between 1832 and 1835. The Montreal Gas Lighting Company and four fire insurance companies were also launched with local capital. 'By 1840 more than fifty companies had been chartered by Upper Canada' (Currie, 1962, p. 389). The procedure in each case was the same as with the banks in the 1810s and 1820s. An announcement and solicitation of subscriptions for shares would be made in the press. Further news about evolution of the new firm would also be published. For the secondary market in shares already issued, there were the occasional advertisements in the local press. However, such transactions were usually organised privately and consummated at the office where the particular company's share register was located. The analysis of Bank of Montreal stock trading quoted above for 1830 and 1840 supports this conclusion. The late 1830s was a period of business depression in Britain and the United States, the major trading partners of Upper and Lower Canada. The decline in business activity was made worse in Canada by the rebellions of 1837–1838. A revival of trade in the 1840s also brought changes to the environment for securities trading.

The appearance of new business practices in the 1840s

It is not clear from the literature when brokers took their place on the Montreal business scene. The term 'broker' does not appear regularly in Montreal newspapers and the *Montreal Directory* until the 1840s. In March 1842, C.E. Anderson advertised bank and insurance stock for sale along with white peas and barley. He called himself a commission agent (*Montreal Gazette*, 31 March 1842). In July, he was selling bank and insurance stock again, along with putty and paint this time, but he signed his announcement: 'broker'. This is indicative of the changes that were in progress. In his study of Montreal businessmen between 1837 and 1853, Gerald Tulchinsky (1977) named various individuals who were 'brokers', and 'commission merchants and agents'. He allowed that the overlapping of commercial interests among general merchants, brokers, commission agents and auctioneers was a source of some confusion. The greatest number of backers for the Canada Ocean and Steam Navigation Company, which was chartered in 1854 'came from the large community of Montreal's brokers and commission and general merchants, who dealt directly with the large volume of export and imported commodities' (Tulchinsky, 1977, p. 101). Tulchinsky does not address in any more detail the issue of the roles played by these intermediaries and any changes that might be occurring.

Change was however taking place. The 1842 *Montreal Directory* listed businessmen in three categories of intermediary: 'Auctioneers & Commission Merchants', 'Commission Merchants' and 'Commission Agents'. In 1847, 'Commission Agents' became 'Commission and Land Agents'. In 1848, a new category of 'General Broker' was added. None of the 11 general brokers listed was among the auctioneers and commission merchants, commission merchants, or commission and land agents for the previous year. The evolution can also be seen in the changing designation of those who would eventually belong to the Board of Brokers. The *Montreal Directory* indicated that J. & R. Esdaile were in the wholesale dry goods business in 1842; in 1844 they were among the 'general merchants', and in 1848 the 'general brokers'. Charles Geddes was in the wholesale dry goods business in 1842. In 1844, he was a 'general merchant'. In 1848, Geddes was in partnership with Augustus Heward, and they were among the 'general brokers'. In 1842,

D. Lorn MacDougall was a 'produce and bill broker'. In 1844 he went under the same designation but in partnership with John Glass. In 1849, he formed a partnership called MacDougall Brothers with Hanbury L. MacDougall and they were 'general brokers'.¹⁸

Gilbert Tucker exposed other reasons why the Montreal business world was in a state of flux during the 1840s. The Corn Act of 1843 was supposed to stimulate commerce in wheat but this was repealed in 1847 and a recession followed (Tucker, 1964, pp. 202–208). The business environment improved after 1849 because there was a sudden and sustained increase in prices driven by demand, and repeal of the Navigation Acts in 1849 opened up trade with the United States. The St. Lawrence canal system was finally opened in 1848. The Champlain and St. Lawrence Railway and the St. Lawrence and Atlantic Railway were completed in 1836 and 1853 respectively. Montreal was connected to New York by telegraph in 1847.¹⁹ Stimulated by these improved communications, annual shipments of wheat and flour down the St. Lawrence increased from two million bushels in 1840 to ten million by 1855 (McCallum, 1980, p. 13). Further evidence of the changing business environment was that Montreal newspapers began to cover commodities, exchange and securities.

On 23 May 1842 the *Montreal Gazette* began publishing business statistics. It announced: 'We, this day, commence the publication of a "Price Current," which, during the season, we trust, will furnish a correct exposition of the fluctuations in this market as they occur.' The *Montreal Witness* (5 January 1846) actually had input from a broker in its 1846 volume one, number one. It printed tabulations of 'Montreal Wholesale Prices Current', 'Producer Prices Current' and 'Exchange'. This section was attributed to 'Thos. M. Taylor, Broker'. Most subsequent numbers of this weekly carried the same feature. Although this seems to be an auspicious beginning, in fact *Montreal Gazette* coverage was very spotty until the 1860s. The *Montreal Witness* actually ceased to publish commercial data in the 1850s. This is because the Board of Brokers had an exclusive arrangement to publish their data in the *Montreal Herald* (Goudreau, 2004, p. 23).²⁰

Evidence from the Bank of Montreal stock transfer ledgers acknowledges the activities of brokers as stock traders in the 1840s. The first example of a shareholder having the term '(broker)' inscribed after his name is John Crawford. The Stock Ledger shows that he did two trades in 1846; none in 1847; one in 1848; and none in 1849 (BMA, *Stock Ledger no. 2*, p. 103). Crawford was never listed in the Brokers Circular as being a member of its committee. He was particularly active in 1853 when 36, and in 1854 when 62 trades were recorded. Nevertheless, these ledgers suggest that these were trades Crawford made on his own account, because if he were acting as a broker and charging a fee for his services, he would not have been registered as the owner. J. & R. Esdaile²¹ are also listed as brokers and were from the beginning on the committee publishing the Brokers Circular. The Bank of Montreal Stock Ledgers shows their first trades in 1853 (15) and fewer trades in the 1854–1857 period (BMA, *Stock Ledger no. 3*, pp. 172–173).

In 1842, a further 5000 shares (bringing the total to 15,000) were issued so that by 1850 the total paid-up capital of the Bank of Montreal was £750,000. In 1850, 1842 shares changed hands in 300 separate transactions. The most significant traders were Alexander Simpson,²² the cashier (22 transactions), Hugh Allan,²³ a director (17) and Samuel Gerrard (15). Traditional methods of stock trading still predominated even if the brokers were taking their place in the evolving securities market.

Despite the evidence of increased activity in the 1840s, Montreal businessmen were having difficulty organising a formal exchange. Throughout this decade and into the mid-1850s, different rooms were rented by the Board of Trade for a half hour at mid-day, six days a week, 'for meetings on change'. They were only used during the summer and in

some years, when they could not find a suitable room at an affordable price, none was designated. Presumably they continued to meet informally in coffee houses and newsrooms.

Although no permanent exchange had been established, it is clear that some members of the Board of Trade were taking steps to formalise arrangements. The first issue of the *Montreal Brokers' Circular* was dated 5 May 1848. Under this title was the statement: 'ARRANGED BY A COMMITTEE OF BROKERS – HANBURY L. MACDOUGALL, *Secretary*.' At the bottom of the page was another statement: '*Committee*: MACDOUGALL & GLASS – T.M. TAYLOR – J. & R. ESDAILE – GEDDES & HEWARD – BETHUNE & WHITE.' This Brokers' Circular from 1848 was the first documentary evidence of the Board of Brokers' existence, which was confirmed by a listing in the 1849 *Montreal Directory* (1849–1850, p. 357).

From 1849 to 1862, the *Montreal Directory* carried an entry for the Board of Brokers that listed its members or member firms, the name of its secretary, and occasionally its address. During this period, the secretary as well as the members of the 'Committee of Brokers' listed in the circular was the same as that of the 'Board of Brokers' in the *Montreal Directory*. There is also ample evidence that those who formed the Board of Brokers were active members of the Board of Trade during the 1840s and 1850s. John Glass was cited in the act incorporating the Board of Trade in 1842. Charles Geddes, D. Lorn MacDougall and Robert Esdaile were accepted as members in 1842. Their presence was frequently noted at council and annual meetings, along with John Esdaile, Augustus Heward and Thomas Taylor. D. Lorn MacDougall was on the Council of the Board of Trade in 1850 and treasurer in 1857. Thomas Taylor served on the Board of Arbitration in 1850, as did John Esdaile in 1857 and 1859. Robert Esdaile was on the Council in 1859. This demonstrates clearly that it was the Board of Trade that fostered the emergence of a brokers' organisation. Very likely, the first proposals for a brokers' organisation occurred during informal discussions at Board of Trade meetings. Thus, it is of interest for the future emergence of separate formal groups to trace where they were actually meeting.

Newsrooms were most commonly the facilities rented by the businessmen of the Board of Trade for holding exchange meetings. According to Serge Goudreau, 'Dès 1840, le Montreal Exchange News Room est inscrit parmi les institutions publiques de la ville de Montréal' (*The Quebec Almanac and British American Royal Kalendar for 1840*, p. 212 as cited in Goudreau, 1840–1870, p. 51, n. 84).²⁴ The superintendent of this organisation in 1846 was Frederick A. Wilson, who was also secretary of the Board of Trade (*Montreal Gazette*, 18 May 1846). Goudreau suggested that the 'Montreal Exchange News Room' changed its name to the 'Merchants' Exchange and Reading Room' in 1847. The 'Merchants' Exchange Reading Room' was first listed in the *Montreal Directory* in 1848 and resides at the 'Odd Fellows' Hall, Great St. James street' (*Montreal Directory*, 1848–1849, p. 334). Robert Esdaile became the secretary treasurer in 1853. In 1854, Robert Esdaile was still treasurer but John Dinning had become the secretary.²⁵ The members of the Board of Trade who were interested in a proper exchange facility had taken over the Merchants' Exchange Reading Room and were collecting the capital for their next initiative.

A bill to incorporate the Montreal Exchange received royal assent on 23 March 1853. Sixty-five subscribers are named in the 'Act to incorporate the Montreal Exchange'. The Montreal Exchange was a joint-stock company. The act of incorporation allowed initially for 200 shares at £100 each. Of the 65 men who signed the petition and were listed in the act as subscribers, Robert Collis, Robert Esdaile, Augustus Heward and Thomas Taylor were also on the Board of Brokers. Construction of the Montreal Exchange building must

have begun before legal incorporation, as it was operational by the end of 1853. The *Montreal Directory* indicated that the Board of Brokers was located at the 'Merchants' Exchange' from 1854 onward. When the Board of Brokers evolved into the Board of Stock Brokers with the creation of the Corn Exchange in 1862 it continued at this location. D.L. MacDougall was chairman and John Dinning secretary of both the Montreal Exchange and the Board of Brokers throughout this period. Thus, from 1854, Montreal had an exchange building, although it came many years later than those in Quebec City or New York.²⁶ The emergence of the Montreal Exchange marked an important turning point in the evolution of the brokerage business that would continue to grow in the next two decades.

1850 to 1870: a period of transition

The late 1840s and early 1850s was an active period that witnessed the emergence of specialist brokers. In contrast, the later 1850s was a period of relative stability in the brokerage business, as the membership of the Board of Brokers hardly changed. Those involved were Donald Lorn MacDougall, Hanbury L. MacDougall, John Esdaile, Robert Esdaile, Charles Geddes, Augustus Heward, Thomas M. Taylor and R.D. Collis. Throughout most of this decade, quotations for commodities and securities from the Board were published in the *Montreal Herald* (Goudreau, 1840–1870, pp. 16–20). Board members seemed to rely on this medium for promoting their business. They were also involved in other brokering activities. Augustus Heward represented the Provincial Fire and Marine Insurance Company; MacDougall & Davidson handled affairs for the North British Fire & Life Insurance Company (Goudreau, 1840–1870, p. 4); and Charles Geddes was the agent for the Canada Life Assurance Co. (*Montreal Gazette*, 17 September 1860). Other intermediaries who were not members of the Board paid to publish their professional cards alongside those of lawyers and notaries in the press. Their activities were also quite diverse. Thomas Clarkson & Co. were 'Commission, Shipping and General Agents'; James Scott Jr. was an 'Accountant and Broker' and 'Ashes Broker'; Hugh E. Scott was a 'General Commission Merchant and Ship Broker'; and T.M. Daly was a 'Stockbroker and Accountant'.

Review of the quotes and commentary in the brokers' publications in the 1850s indicates that security trading was relatively slow; the brokers were mainly active in commodities. It is not surprising that they also represented insurance companies or acted as accountants, which might involve the same customers as their commission business. Legislators were however moving to facilitate company finance through common share issues. The Companies Act of 1850 made it easier to form a joint-stock company. Prior to the passage of this bill, an act of Parliament was required. Under the new arrangement, incorporation was effected by judicial decree (Currie, 1962, pp. 393–394, 400). At first this legislation was meant to encourage manufacturing, mining, mechanical and chemical businesses. During the 1850s, legislation extended the privilege to other resource and service industries and clarified the roles and responsibilities of shareholders and administrators. Whereas in 1850, 50% of manufacturing consisted of products from sawmills and gristmills, the next decades witnessed a significant increase in manufacturing facilitated by finance through joint-stock companies (Naylor, 1975, p. 4).

Changes in ownership of Bank of Montreal stock gave another indication of the changing environment for securities trading. In 1860, 2690 shares changed hands in 350 separate trades, which was only a marginally greater volume and number of trades than in 1850 (*Bank of Montreal, Transfer Book* 1858–1863). However, brokers Taylor

Brothers, MacDougall Brothers and John Crawford together carried out about one-third of these trades, showing that the brokers had taken over the role of Bank employees and directors of ensuring there was a market. Surprisingly, the City and District Bank did 13 trades in 1860; it is not clear if this bank was investing deposits or acting as a broker.

The next stage of the maturation of the securities business in Montreal came about in the early 1860s. In 1862, the Board of Brokers separated into the Corn Exchange and the Board of Stock Brokers. The Corn Exchange was first mentioned in the Board of Trade Council Minutes in November 1861 (AHEC, 26 November 1861). The Corn Exchange seems to have come into existence without direct participation of the Board of Trade. Robert Esdaile was president of the Corn Exchange from its inception until 1866. He remained active on its Board of Review for many years. It might be expected that creation of the Board of Stock Brokers would signal a greater level of specialisation. Evidence suggests that MacDougall and Davidson concentrated on stocks (as well as bills of exchange and insurance) while J. & R. Esdaile specialised more in produce. Charles Geddes was a member of the original Board of Brokers in 1848 and continued as a member of the Board of Stock Brokers after 1863. Charles G. Geddes was a member from 1861 and formed a partnership with Charles Geddes in 1866 called C. & C.G. Geddes. From 1866, C. & C.G. Geddes were listed as stock brokers.

From 1863 until the early 1870s, several new brokers joined the Board of Stock Brokers every year, although some later dropped out. As with the previous generation of brokers, these new men followed a circuitous route into the securities business. Egerton Ford was first listed with the Board in 1865 and his business interests covered stock, mining and general brokerage as well as commission merchant. M. McCulloch of McCulloch Brothers was active on the Board from 1856 to 1868 but he was also listed as a commission merchant. George W. Simpson was for many years a member of the Board of Stock Brokers and then the MSE, but when his name first appeared in 1866, he was a merchant. This would lead one to believe that the definition of one's profession was still quite loose in the 1860s. There is further evidence that business for financial middlemen expanded in the 1860s and that they loosely defined their profession in order to participate in whatever was going. In 1860, the *Montreal Directory* lists 14 brokers and 54 commission merchants and agents; of these latter, four are also listed as brokers. By the end of this decade however, the securities business had expanded considerably and had become a much more important segment of the Montreal business world.

From general market to stock market

During the 1860s, there was a major increase in the number of Montreal businessmen who were financial intermediaries. By 1870, there were six commission agents, 115 commission merchants and 52 brokers; 13 called themselves both brokers and commission merchants. In 1860, the six member companies of the Board of Brokers hardly specialised in securities. By 1870, the general listings in the *Montreal Directory* for the Board, which was then referred to as the Montreal Stock Exchange indicated that securities was the main interest of its members. In 1870, the volume of trading in Bank of Montreal shares was about five times greater than in 1860 (BMA, *Transfer Book* 1870–1871). Five brokers had a significant volume of trades in 1870: Ford and Tait, Burnett and Thomson, MacDougall and Davidson, Robert Moat, and Prentice and MacDougall. Together they managed about one-third of the total volume of Bank of Montreal shares traded. The City and District Savings Bank increased its volume to become more active than any of the brokers.

The year 1867 was the first for which written records of the MSE are preserved (MSEL). No minute books or correspondence dealing with the period under study have been found, but a series of 'stock ledgers' had an entry for every trading session from 1 August 1867. Each report consists of a printed page listing the securities of interest;²⁷ it is inscribed by hand with the 'buyers' asking price and the 'sellers' offering price. In the top left-hand corner, a list of broker's names is written in by hand, probably indicating who was present. There is room on the right side of the page to note any trades that took place. The first record of Bank of Montreal trades is on 25 September 1867 when there were 'sales of Montreal Bank @ 133 $\frac{3}{4}$ ' (MSEL, <1> 25 September 1867). Another typical entry for the Bank of Montreal was: 'Davidson sells 10 shares 52 $\frac{1}{2}$. Burnett buys', and for Ontario Bank: 'Moat sells Burnett buys 10 @ 95' (MSEL, <1> 2 June 1869). On many days there were no sales at all and the average for a typical week for all securities was five to ten trades. Still, the bid and ask price were religiously filled in by hand for each security. By mid-1870, the number of trades recorded had increased to between 15 and 20 (MSEL, <4> 25 July 1870–23 December 1871). It is apparent that the MSE was not used as a marketplace to do trades; it would not have been worth carrying on with such an insignificant amount of business. The MSE was instead a meeting place where members shared information about prices while most actual business was carried out somewhere else. The format used in the MSE ledgers is similar to that used in the *Brokers' Circular* and in newspaper price lists. In the latter, however, share volumes are conspicuous to the modern observer by their absence. It is only in the 1870s that some indication of actual volumes transacted began to appear in publications.

The maturation of the Montreal securities market by the 1870s can however be demonstrated in other ways. The Bank of Montreal recognised the increasing importance of brokers by setting up separate ledgers for their transactions, beginning in 1872. Some of the same brokers also began to participate actively in new stock issues. The Consumers Gas Company initial public offering in 1873 listed as its brokers: MacDougall and Davidson, Dunn Davies & Co., and F.L. Hart (*Montreal Gazette*, 14 May 1873). The traditional method of soliciting funds directly through the newspapers was still, however, more common. This is typified by the launch of the Montreal West End Building Society (Limited), in early 1874. The announcement specified the names of provisional directors, bankers, architects and solicitors, but no brokers (*Montreal Gazette*, 1 January 1874).

Beginning in 1872, Montreal newspapers began giving some indication of actual share transaction volumes. Statistics published in the *Montreal Gazette* offer an interesting glimpse at how the brokers operated. For the one-week period from Monday, 15 December to Saturday, 20 December 1873, about 700 shares of the Bank of Montreal were traded, according to published figures. The MSE records indicate that there were 31 trades totalling 424 shares (MSEL, <6> 15–20 December 1873). Could they have been inflating the volume of trades to promote business? For the same period, according to Bank of Montreal records, more than three times the *Gazette's* number changed hands (BMA, *Bank of Montreal, Stock Transfer Ledger no. 20*). There is strong evidence here that a large number of trades were still occurring without the intervention of a broker. Trades by brokers were fairly evenly spread among 11 firms. What is most surprising is that about one-quarter of the total trades recorded in the Bank's books are between the brokers themselves. Their individual accounts suggest that when they made a purchase, if they could not find an individual to buy all or part of their inventory they tried to get rid of it to other brokers. They kept their holdings to a minimum. It suggests that they may have been referred to as 'brokers' because they were insurance or commodity brokers but were not 'stock brokers' whom one would expect to have operated on commission.

In 1874, the MSE had 26 members (*Montreal Directory*, 1874–1875, p. 693). They met twice a day in rented premises to transact their business. For the most part, the MSE membership list in 1874 does not include the names of men who became prominent Montreal citizens. There were two notable exceptions. Donald Lorn MacDougall was reputed to have opened the first stockbroker's office in Montreal (Doyon, *Dictionary of Canadian Biography* (Vol. XI), 1881–1890). The first issue of the *Montreal Brokers' Circular* listed his partnership of MacDougall and Glass among the committee members (*Montreal Brokers Circular*, week ending 5 May 1848). MacDougall played an important role in the separation of the produce brokers from the Board of Brokers with the formation of the Corn Exchange in 1862. The notification of the first meeting to organise the Corn Exchange was signed by D.L. MacDougall (AHEC, *Corn Exchange Association Minutes*, 1, 10 September 1862). He was chairman of the new Board of Stock Brokers from its formation through 1865. That year he went into partnership with four other businessmen in a company called the Montreal Investment Association. Initially this company had one million dollars of capital that it used to invest in stocks and bonds (Doyon, *Dictionary of Canadian Biography*). MacDougall was the first name cited in the act of Parliament that incorporated the MSE in 1874 and was its chairman from 1874 to 1883. MacDougall was a major investor in many new businesses and he numbered as his associates many of the most prominent financiers in Montreal.

Louis-Joseph Forget was first listed in the *Montreal Directory* as an MSE member in 1874 (*Montreal Directory*, 1842–1843, p. 693). Jack Jedwab states that at the age of 20, in 1873, he started working as a clerk for a Montreal stockbroker (Jedwab, *Dictionary of Canadian Biography* (Vol. XIV), 1911–1920). The 1874 *Montreal Directory* showed him at the same address as another stockbroker, Arthur M. Cohen (*Montreal Directory*, 1874–1875, p. 40). In 1876, he founded the firm L.J. Forget et Compagnie which became one of the most prominent brokerage houses in Montreal by 1890 (Jedwab, *Dictionary of Canadian Biography*). During 1895 and 1896, he was the chairman of the MSE and from 1890 to 1910 he was one of Montreal's most important investors and promoters.

The success of these two stockbrokers illustrates that their professional activities had become a legitimate route to prominence within the Montreal business community. The range of contacts they developed through trading securities enabled them to play an active role in the launching of new issues, as do modern stockbrokers. By 1874, all the prominent newspapers carried daily stock quotations. From 1867, there was a dedicated national financial newspaper, the *Monetary Times*. Although this was published in Toronto, coverage of the Montreal scene was significant. Thus, Montreal had become a mature securities market.

It is apparent that the early history of securities trading in Montreal was quite unlike that in London or New York. Both the latter were launched by a dramatic increase in government borrowing. It would be more appropriate to compare Montreal's development to regional markets. In Scotland, according to Ranald Michie, early stock trading 'transactions were mainly in financial institutions such as banks and insurance companies, and such facilities as gas works, railway lines, and shipping companies' (Michie, 1981, p. 268). This sounds much like Montreal. Michie has also pointed out the similarity in development paths between Montreal and Sydney.

Conclusion

Trading in Bank of Montreal shares reflected the wider evolution of Montreal brokerage activity in financial securities. Records indicate that prior to the 1840s all trades were done 'over-the-counter', with Bank employees or directors providing intermediary services when

required. During the 1840s, general brokers emerged but they played an almost insignificant role in the market for Bank shares. This was still the situation throughout the 1850s, but by 1860 certain brokers had taken over the role of providing a market from those closely associated with the Bank. Even if brokers were involved in about one-third of trades registered with the Bank, volume was still quite low and brokers still did business in a variety of financial intermediary functions. However, they did not act strictly speaking as brokers when they were involved in securities transactions; they traded for their own account. By 1870, the volume of share trading had increased sufficiently for some brokers to deal exclusively in securities. The MSE was, however, mainly an 'exchange' of information, since members came there as much to keep abreast of market conditions as to actually do business.

The maturation of professional securities trading in Montreal is tied closely to the history of the Montreal Board of Trade. This evolution was followed in the Board of Trade Minutes and the *Montreal Directory*. It starts with the Committee of Trade formed in 1822, and followed through the Montreal Exchange News Room (1840), the Board of Brokers (1848), the Montreal Exchange (1853), the Board of Stock Brokers (1863), the Montreal Stock Exchange (1870) and the incorporation of the MSE in 1874. Donald Lorn MacDougall was the most significant player throughout this evolution but at every stage many of the people who became brokers held responsible positions with the Montreal Board of Trade. By the mid-1870s, the securities business was mature in the sense that there was a group of individuals who concentrated their professional activities on trading stocks and bonds. They were not simply middlemen but had begun to take active roles in promoting new issues.

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Notes

1. Montreal Stock Exchange. Retrieved October 27, 2007, from http://www.m-x.ca/mx_hist_en.php
2. François Normand (2003, pp. 70–72) perpetuates the myth in his short history of the MSE.
3. 'The first organisation of brokers was formed in Montreal in 1849–50 ... they took the name of the Board of Produce Brokers' (Collard, 1974, p. 7).
4. 'In that year (1863) the Board of Brokers was formed' (Bergithon, 1940, p. 11).
5. 'Montreal brokers began to meet regularly in 1832 and formed a Board of Stock and Produce Brokers in 1842' (Neufeld, 1972, p. 44): Neufeld stated that the Board of Brokers was formed in 1863 (Neufeld, 1972, p. 471).
6. Johnson (1934, p. 16) claimed that the first steps toward organisation were taken in 1872.
7. C. Dorwin was listed for many years as a banker in the Montreal Directory. In 1868 and 1869 he was listed as a partner in the banking firm, Dorwin Canfield & Co.
8. Americans purchased 2360 shares of the 5000 shares offered initially.
9. Horatio Gates was originally from Vermont but moved to Montreal at the beginning of the nineteenth century. He came to prominence during the war of 1812 by supplying the British Army through his commercial network in the Northern States (see Robert, *Dictionary of Canadian Biography* (Vol. VI), 1821–1835).
10. The actual label on the ledger cover is 'First Book Opened by the Bank of Montreal. June 23, 1817.' The first eight pages list by date and name of shareholder, in order of subscription and amount of shares subscribed. At the back of the First Book, all changes in stock ownership are recorded. The signature of buyer and seller or their designated attorney is

- affixed. There are references to both ends of the trade by folio (page) number in the 'Stock Ledger' (see below).
11. BMA 'Stock Ledger. June 1817–June 1837' is printed on the spine of this ledger. Each shareholder has one or more pages and there is a credit and debit entry for each transaction (double entry).
 12. John Grey was born in London, England in 1755, came to Montreal in his mid-twenties, and invested in the fur trade. By the turn of the century he had become prominent as an attorney, estate trustee and real estate agent. He was one of the 12 Montreal businessmen who launched the Bank of Montreal and was probably chosen as its first president because he was perceived as neutral between the rival factions represented by the North West and Hudson Bay companies (see Miller, *Dictionary of Canadian Biography* (Vol. VI), 1821–1835).
 13. Samuel Gerrard came from Northern Ireland in 1785 when he was 18 and operated as a merchant in the fur trade. He became a major shareholder in the North West Company by 1805 and eventually widened his interests beyond the fur trade. He was not one of the 12 businessmen who signed the Bank of Montreal's articles of association but was involved closely with it; he acted as president from 1820 to 1826 (see Deslauriers, *Dictionary of Canadian Biography* (Vol. VIII), 1851–1860).
 14. John Molson came to Montreal in 1782 when he was 18. His first business interest was brewing; later he became interested in steam ships and politics. He was appointed a director of the Bank of Montreal in 1824 and was president from 1826–1830 (see Dubuc, *Dictionary of Canadian Biography* (Vol. VII), 1836–1850).
 15. Benjamin Holmes arrived from Ireland in Montreal with his family at the age of seven. He served a brief apprenticeship with Horatio Gates before joining the British forces in the war of 1812. He was a prisoner of war for 14 months. When the Bank of Montreal opened its doors he was hired as a discount clerk. By 1827 he had become the Bank's cashier and directed its day-to-day operations for the next 20 years (see Ste. Croix, *Dictionary of Canadian Biography* (Vol. IX), 1861–1870).
 16. Retrieved November 11, 2004, from <http://www.vieux.montreal.qc.ca/cgi-bin/hall/secteur.cgi?sec=n>. This is the *Vieux Montréal* website.
 17. Canada, *Statutes*, 4° & 5° Victoriae, Cap. 90 (1853), 30–38.
 18. According to the *Montreal Directory*, Hanbury L. Macdougall was the secretary of the Board of Brokers from 1849 to 1856 and was listed among the members until 1860.
 19. Retrieved May 29, 2006, from <http://rnc.library.cornell.edu/Ezra-exhibit/time/ECfa.time.line.html>. In 1847 Ezra Cornell, who in later life became one of the founders of the university that took his name, completed a telegraph line for the Troy & Canada Junction Telegraph Company from Troy, New York through Vermont to Montreal.
 20. There are no preserved records of the *Montreal Herald* from 1826 to 1863.
 21. There are no specific entries for John or Robert Esdaile in the *Dictionary of Canadian Biography*. However they are mentioned in other biographies as 'prominent merchants', representing Thomas Molson (John Molson's second son) on the Corn Exchange, and connected through marriage to prominent Montreal families.
 22. This is not the Alexander Simpson who had a career with the Hudson's Bay Company.
 23. Hugh Allan was an important shipping magnate.
 24. Actually, the almanac listing is for the 'Montreal Exchange'.
 25. John Dinning was secretary of the Board of Brokers from 1855 to 1862, the Merchants' Exchange from 1855 to 1880, and of the Board of Trade from 1861 to 1862.
 26. Quebec City opened its exchange on May 20, 1817 (*Montreal Gazette*, May 26, 1817). The Tontine Coffee House on Wall Street in New York was chartered as a merchants exchange and its building completed in 1793. The New York Stock Exchange traces its roots back to this facility.
 27. There were 18 banks, two mines, four transport companies, the Merchant's Exchange, the Montreal Telegraph, Canada Glass and a number of government bonds. The records of the Montreal Stock Exchange are preserved at the McGill University Archives.

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