An Imperial Businessman In The Age Of Improvement:
Simon McGillivray After The Fur Trade

Business history in Canada is beginning to show signs of a healthier life. There have always been practitioners—a few professionals, and plenty of amateurs—but as an academic discipline the study never has been granted in Canada the status and respect accorded it elsewhere. This is changing but most recent interest has been with the latter half of the nineteenth century when indigenous entrepreneurs and enterprise made a showing. The earlier period, with some exception remains much misunderstood. Part of the reason is that business in Canada up to American reciprocity in 1854 largely was an Imperial affair. Events of Canadian commercial concern are locked in the business records of English firms and difficult to extricate. Obviously much early Canadian business history is British business history, and in the same way many entrepreneurs of early Canadian business have been British—for example Edward Ellice, or Peter Buchanan, and, notably, Simon McGillivray.

McGillivray is known in Canada for his fur trade connections; most frequently he is remembered as the man who in 1821 torpedoed the North West Company and then, totally outwitted by the Hudson’s Bay Company, slipped into personal bankruptcy. His family shared this harsh judgment: “That one made the fortune” generations of children were ceremoniously informed as they looked up at a portrait of William McGillivray, the legendary Lord of the Northwest. “And”, the adult speaker gravely would add, pointing to a portrait of William’s bespectacled brother Simon, “that one lost it”. That Simon McGillivray deserves better is revealed by an examination of his career from bankruptcy in the mid-1820s to his untimely death in 1840. Far too often studies of nineteenth-century businessmen have concentrated on success stories. McGillivray was neither a wild success nor a dismal failure, but his career effectively illustrates the pitfalls faced by entrepreneurs of the period. He possessed many of the
celebrated traits of the nineteenth-century liberal businessman—a strong belief in *laissez-faire*, a liberal outlook in politics, an interest in public affairs, a firm devotion to family, and above all an abiding faith that one's good "character" in business was as important as one's bank balance. In the final analysis McGillivray is revealed as a man of full dimensions: as much at home in his Regency drawing room as on a Mexican mule train laden with silver; as comfortable in the stock exchange as managing a leading London daily newspaper. Throughout his life he was a competent, respected "man of affairs", although not infrequently his plans were swept away by events beyond his control.

In 1821, the year of the union of the two fur companies, Simon McGillivray was a popular, wealthy and well-connected London businessman. He shared with his brother (who was more frequently in Montreal than London), a good business and an attractive house (No. 7 Lancaster Place, Waterloo). The latter was decorated with fine furniture and finer paintings. Both brothers were enthusiastic collectors and numbered amongst their valuable holdings canvases by Rembrandt, Rubens, Titian, and Velazquez. Simon's passion for art was shared by his good friend Augustus Frederick, the Duke of Sussex, sixth son of King George III. The Duke and Simon also took an abiding interest in Freemasonry. ³

A powerfully-built man, with broad shoulders, Simon McGillivray stood about 5'10". He dressed well but somewhat behind the fashion, was slightly lame (the result of a boyhood fall), and was extremely short-sighted, necessitating the wearing of a pair of very thick gold-rimmed spectacles. ⁴ He liked to think of himself as a sworn bachelor, and seems to have enjoyed the liberty to the full. He could well afford it; he was accustomed, from his fur interests, to an income of £5000 per annum. ⁵

McGillivray had been born into more humble circumstances, at Stratherrick, Inverness-shire, in the Scottish highlands in 1785. ⁶ But the fur trade was in his blood; his uncle was Simon McTavish, the founder and chief promoter of that unique gathering of "wintering partners" and Montreal merchants which in 1779 had banded together to form the North West Company. Simon grew up in a rough, rural Scotland whose slow and predictable pace was accelerated only by news from distant America, or better, visits, not only from his uncle but also his elder brothers Duncan and William who both joined the North West venture. It was inevitable that Simon would become part of it, but his lameness precluded an active role, and so when he came of age he established himself in the City of London and, in 1805, at the tender age of 20, became a partner in the firm McTavish, Fraser which had been opened in the 1790s to handle the London end of N.W. Co. business.
A year later the firm changed its name to McTavish, McGillivrays and Company, and it was under this title that the Company achieved its greatest success, and as far as the rival Hudson's Bay Company was concerned, its greatest notoriety. The story of this ruinous fur rivalry needs little retelling. Simon McGillivray was one of the leading actors. For over fifteen years he was the Norwester's chief metropolitan link, at times acting in concert with others like Edward "Bear" Ellice, but always at the vortex of activity. When the fur competition took distinct shape in a struggle against Lord Selkirk and his intended settlement in the Red River country, Simon, using the appropriate pseudonym "A Highlander", launched a relentless campaign of letters and advertisements to convince prospective Scots settlers of the poverty of the Earl's promises. It was the beginning of a minor career of letter-writing and pamphleteering. 7

As the struggle intensified, Simon became more familiar with the Canadian angle of the trade by journeying to Fort William to attend annual meetings of agents and winterers, periodically locking himself up in the Company's counting houses in Montreal, and joining the midwinter social round in that city's hospitable Scottish society.

During these years of conflict the actual financial state of the Norwesterners was camouflaged. The energy with which the Norwesterners responded to Selkirk's challenge was really the last breath of an exhausted, over-extended scheme. The old amalgam of flexible partnerships, efficient personnel, and a smooth administrative system broke down as the trade was forced to move further and further west. The Bay's advantages—a Royal charter, a shorter geographic route (with lower travelling costs), and a better credit rating in Britain—made the conclusion inevitable. And the internal financial structure of the North West Company didn't help matters: there was no reserve fund to draw upon, for the profits had always been split among the partners after each year's venture. The Company could not long withstand a siege on its resources. 8

The disastrous financial circumstances became evident to the wintering partners at the annual meeting at Fort William in 1820; they wanted peace and suggested a union with the Bay Company. Two members, John McLoughlin and Angus Bethune, journeyed to London to seek an agreement. In the meantime the British government through Lord Bathurst, the Colonial Secretary, secured the aid of Edward Ellice to forge a union.

To this point Simon's commercial abilities had never been questioned. But now he was forced, as the man on the spot in London, to
take bold and controversial measures to save the situation. The Nor­westers clearly faced, in William McGillivray's term, a "crisis". A massive influx of capital would be necessary to finance another year's outfit of trade goods and provisions. McLoughlin and Bethune threatened to go over to the Hudson's Bay Company as their supplier. For the Norwesters Edward Ellice's great fortune seemed to offer the only answer, and he was urged to try to buy into the Bay Company and so bring an end to the competition. But that effort failed, and William gave his brother Simon "carte blanche" to find a solution, preferably with Ellice, but to get the job done:

*Every other consideration than that of supporting the concern must therefore be lost sight of and in pressing such an arrangement to whomever it may be deemed advisable to apply for those purposes you must not fear responsibility.*

Simon, sensing the urgency of the moment, and realizing the char­tered might of the Hudson's Bay Company could no longer be side­stepped, arranged with Ellice the union of the two firms, with the wintering partners to become factors and traders in the expanded scheme. The details of this and subsequent financial arrangements are positively voluminous, and somewhat difficult to simplify. The gist is that a coalition was effected between the Hudson's Bay Company on one part and William and Simon McGillivray and Edward Ellice, as three partners of the N.W. Co., on the other. A Deed of Covenant was worked out and a License for Exclusive trade (a monopoly to include the old areas of Rupert's Land plus the new fur territories stretching to the Pacific coast) was issued. Arrangements were made through an agreement of Deed Poll to guarantee a role in decisions for the field traders and to determine their shares in the reconstituted company. It was a business arrangement and appeared on the surface a clear, sensible one. And a coalition was not an amalgamation—the North West Company survived as a separate entity. Simon had nullified the threat of McLoughlin and Bethune to break up the firm.

During the summer of 1821 Simon travelled to Canada with Nicholas Garry of the Hudson's Bay Company to put the new rules into effect. The bulk of the trade would now move through Hudson's Bay and not the old Montreal-Fort William route. Simon hoped to hold on to part of the Montreal trade, however, and to enjoy some opportunities from a new Montreal agency.
But his plans were to fall apart. A new firm, called McGillivrays, Thain and Company, was established to deal with the winding-up of the McGillivrays' old North West business. Thomas Thain had been in the fur trade for two decades, had been a McGillivray associate since 1813, and was Vice-President of the Bank of Montreal. He was also very, very ill, and was finding it increasingly difficult to make sense of the firm's records. Additionally, the old firm of McTavish, McGillivrays and Company was attacked by a former partner, Henry McKenzie, who brought suit in Montreal. McKenzie claimed that the McGillivrays—particularly Simon—had struck the coalition illegally, without consulting all the N.W. partners, and besides, the accounts should have been opened to all who had an interest in the firm. McKenzie had a point. Doubtless Simon should have consulted all the partners, but the slow movement of the transatlantic mails would have caused delays of many months. And time was of the essence since McLoughlin and Bethune were angling independently with the Bay. Simon had been given his brother's power of attorney and his assurance that he would back him up. On that basis he acted to save the trade and the firm.

The agreement of 1821 was designed to run 21 years; it lasted scarcely three, because by 1824 the McGillivrays found themselves in serious financial difficulty. Simon's decision for union soon was outpaced by events. The Hudson's Bay Company, resurgent, had no intention of drawing any of its business through the medium of the McGillivrays, let alone the Montreal route. Exclusive passage was to be through the Bay. Simon now determined that he and his brother should join that firm, but the harried pair were hardly in a position of bargaining strength with McKenzie and other N.W. creditors snapping at their heels. In 1824 Simon attempted to save what he could by modifying the 1821 arrangement. A joint-committee of management—half Norwesters, half Bay Company—had been established after the coalition to assure a smooth transfer of power. That had been accomplished and with no reason for a joint committee's continued existence the old Hudson's Bay governing group moved again to take over complete control. The McGillivrays and Ellice exchanged voice in management for a big block of Hudson's Bay Company stock to the value of £175,000. Simon and his brother claimed a lion's share of the money. All the Norwesters—the two McGillivrays and Ellice—now became simple shareholders in the Bay Company. The coalition was at an end, and the Hudson's Bay Company itself was rid of any threats from Henry McKenzie or anyone else. The same was not true of Simon McGillivray.
Events could now be seen in a clearer light. Simon was being pushed rapidly to bankruptcy and had to strive manfully to prevent the capture of his new Hudson's Bay stock by Norwester creditors. In 1824 he was forced to auction off substantial numbers of his treasured paintings. A year later Thomas Thain without warning bolted the Montreal office for Scotland and left affairs in a terrible mess. Then on 16 October 1825, McGillivray's brother William died, producing further financial complications and leaving his two daughters and his estate to Simon's care. And all the while, with ceaseless fervour, the N.W. Company creditors moved against him—registering claims against McTavish, McGillivrays and Company as well as McGillivrays, Thain and Company.

In the larger world, 1825 was a "boom and bust" year in the London stock market, one in which British capital surged outwards to the Americas in a fury of joint-stock speculation. Although Simon had little money to invest he became involved in the Canada Company, a large British-based land and colonization company, organized in 1824 by the prolific Scottish novelist John Galt. Simon arranged to be a member of a Commission sent by the Company and the Imperial government to calculate the costs of Upper Canadian lands the Company proposed to purchase. But he had another mission at the same time—to balance the complex files abandoned by Thomas Thain in Montreal. The former was seen to speedily; the latter was not. Simon could scarcely read and decipher, let alone balance, the Montreal books.

Two days after Christmas 1825, the insolvency of McTavish, McGillivrays and Company and McGillivrays, Thain and Company, was announced. Simon, unprotected by any degree of limited liability, had no choice but to put up the entire family fortune to cover the debts. There now began a most complicated series of financial and legal affairs with a besieged Simon moving in and out of the bankruptcy courts in a vain effort to settle. He was forced to liquidate all his assets and to abandon almost all his commercial concerns, including a potentially prosperous link with the Welland Canal Company. Edward Ellice, recently-elected Deputy Governor of the Canada Company, secured him a sinecure position in that firm's management at £1,000 a year in order to keep body and soul together.

Simon soon advanced a capable plan to pay 12/6 in the pound over a number of years which would leave him some Hudson's Bay capital. But a minority of creditors, led by an obstinate Henry McKenzie, refused the unanimous consent necessary to give the scheme legal force. By February of 1827 McGillivray's debts were calculated at more than
£253,000. Assets stood at not more than £168,050 exclusive of Hudson’s Bay stock. Out of that stock, then worth only £68,454 13/4, much had been transferred or was pledged for other loans. In any case, none of the Bay stock could be mobilized until his creditors unanimously agreed to a form for settlement.18

By this time Simon was nearly destitute. The Canada Company position (he was Chairman of the Committee on Management)19 could scarcely begin to help him pay off his massive debts. He was forced to face the fact that he was a bankrupt. A fresh start was necessary.

The wrangling over the McGillivray bankruptcy was not settled until 1830. At that stage McGillivray’s trustees received some £110,000 from Edward Ellice in recognition of his liability in the affair. The creditors gained only 10/- on the pound, half-a-crown less than McGillivray offered three years before.20

In the meantime McGillivray had left Britain and the Canadian fur trade far behind. In the late autumn of 1829 he took ship for Vera Cruz, Mexico, which he reached after a long voyage of sixty days on 19 January, 1830. A week later he was in Mexico City.21

In high hopes McGillivray had accepted an assignment for an overseas British mining group called the United Mexican Mining Association. He was directed to investigate the condition of the Company’s vast Mexican properties and to report expressly to the London Board of Directors. On that board sat two City figures who were old acquaintances, and who doubtless secured him the post. John Hullett was a highly respectable merchant and underwriter and head of the successful mercantile house, Hullett Brothers. John Easthope (soon to be Sir John), a man of considerable wealth and active in Reform politics, was a senior director of the East India Company. Both were also directors of the Canada Company. Their continued confidence in McGillivray’s business sense indicates that despite his bankruptcy his services were still highly valued. Indeed his expert witness had been called by the parliamentary committee investigating Canadian affairs in 1828. It certainly should be pointed out concerning Mexico that he knew little or nothing of mining—it was purely his financial acumen that was desired.

In fact McGillivray knew little or nothing of Mexico, and Mexico in 1829 was in chaos. The country had become fully independent of Spain eight years before, but half-a-century would pass before the economy and political life approached stability. Rebellions, cuartelazas, and coups d’état were regularly interspersed with rigged elections and universal political corruption. Economically, the country had the
seemingly impossible task of creating a fiscal system to support a free-spending government and to re-establish a viable natural economy.\textsuperscript{22} Amazingly, no private banking facilities existed in Mexico until 1864,\textsuperscript{23} and local merchants charged exorbitant rates for the short-term funds they could provide. Foreign money was the only ready source of capital, and Mexico proceeded to borrow millions commencing in the 1820s both in North America and Europe, but especially from Britain.

This money was to be employed chiefly to revivify Mexico's moribund mining industry which had fallen into ruins during the tumultuous decades before independence. The timing was perfect.\textsuperscript{24} In the mid 1820s British capital freed from the confines of government war-time contracts and heavy taxation sought new outlets everywhere. Low interest at home (the public funds yielded scarcely 3\%) encouraged investors to look abroad—especially to Latin America—for decent returns.\textsuperscript{25} In 1824 and 1825 loans of £17 millions were made to South American governments, and 46 joint-stock companies, with a total nominal capitalization of £35 millions, were created to pursue a vast range of "opportunities" in the new republics. Of these 46 companies, 28 were mining concerns, seven of which dominated the Mexican scene.\textsuperscript{26} It was widely believed that modern engineering and mining technology coupled with European management would easily pump new life into the old mines.

The case of the United Mexican Mining Association was a prime example of this optimism. Its moving force was a Mexican statesman of stature. Don Lucas Alamán had been born in 1792 in Guanajuato, north of Mexico City in the midst of the silver country. He received a classical education in Mexico and Spain, but also was trained in mineralogy and mining techniques. In 1821 he was elected Mexican delegate to the Spanish Cortes, and worked enthusiastically in Spain and Mexico to secure Mexican independence. He also travelled throughout Europe drumming up an interest in restoring the old Mexican silver mines.

At first Alamán sought French capital—without much success. In Paris, however, Alamán was introduced to the English firm of Hullett Brothers, who immediately showed great enthusiasm for his idea but insisted that the venture be transferred to England. The new scheme incorporated the earlier small French advances and was renamed the United Mexican Mining Association (hereafter U.M.M.A.). It was launched with a capital of 1-1/2 million pesos, with the power to extend to 6 million. Don Lucas was to be the Mexican Managing Director. He left Britain immediately for Mexico.\textsuperscript{27}
As it turned out Alamán, notwithstanding his connections and experience, proved more of a liability than an asset. Upon his return to Mexico he was appointed Minister of State and Foreign Relations. Thus began a career in statesmanship, pursued at the expense of Company interests.

Politically, Alamán was a conservative, with a lingering romantic attachment to the monarchical past and a strong distrust of liberalism. Metternich was his model, and his intrigues influenced Mexican politics for thirty years until his death in 1853. Justice or freedom for him were luxuries until the state was efficient and orderly. Simon McGillivray was his opposite. A strong advocate of laissez-faire, a close friend of parliamentary reform, and a fierce opponent of privilege or inheritance, McGillivray seemed destined to clash with Alamán over control of the mines. 28

As early as 23 March 1830 McGillivray had written to John Easthope in London that his clear authority over Don Lucas must be established. Alamán, he asserted, was no businessman. In the meantime, McGillivray bided his time, making inspection trips, updating and making more efficient the bookkeeping systems, lamenting that no dividends had been paid, and, in his spare time, exploring the countryside. In fact, he climbed the extinct volcano Popacatepetl (17,887'), no mean feat for a 45-year-old with a game leg, wrote an account of the ascent for publication (seemingly, it never was), and grandly made the boast that he was the first European to the top since Cortez. 29 He also kept up an active correspondence, complained to old friends (such as fur-trader John Haldane) of his “exile”, and too frequently turned his thoughts to Rupert’s Land, declaring bitterly that he knew “nothing of what is going on there, only I believe they are still making money.” He did admit that as far as wilderness inspections were concerned he preferred the old days of the canoe to the new ones of the mule. For McGillivray, gregarious, unpretentious, companionable, Mexico was a terrible financial purgatory. His thoughts even strayed to marriage and family life although he confessed to Haldane that he “always considered that a man had no business to marry if he could not stay at home” and concluded therefore that it was “a business in which Soldiers, Sailors, North-westers etc. had no right to indulge themselves in.” 30 Certainly he saw no future for himself in England. When his old friend Ellice became Secretary of War in 1831, Simon facetiously asked him if he had the power now to transport him home and make him a bishop. 31

McGillivray continued with work—“descending into Mines, climbing Mountains, riding at the rate of 30 Leagues a day”—but developed no
love for the country, nor its inhabitants. Indeed, he was offended by the place, and its ostentation and pretentiousness. He listed "the things most chiefly prized" as "Money for gambling, fine clothes, and good Horses." He went on:

You will find a fellow with Miles of Estates which in England would be a Fortune for a Dukedom—to whom a Razor or a clean shirt are great novelties; and who in a House with a showy exterior lives in a room not so clean as some English Dog Kennells. With all this the Inhabitants consider themselves the most polished and enlightened people in the world, of which they think this City the chief Ornament.32

By February 1831, his growing animosity with Don Lucas was in the open. McGillivray complained that the Mexican was too caught up in state affairs and that he gave "not one twentieth part of his time or attention to the concern." McGillivray was also having troubles with his British co-workers, particularly a certain Thomas Widder, a "near-relation" of a British director, whose conduct McGillivray termed "highly offensive", and so had him dismissed. He greatly feared this would become, in London, a "sin laid at my door".33

His original contract was to last two years, at a salary of less than £2,000 per annum. In March of 1831, he finally drew the bottom line for his employers, explaining that if he were to stay beyond that period he must be made "President of the Board of Management" and be given a share of the profits as well as a salary. To back up his claims he submitted that the possible profits of an efficiently run organization with such a massive capital as possessed by the U.M.M.A. (£1,153,934 by 1830) should easily exceed 600,000 pesos a year. Why didn’t it? And, further, why was the unhappy state of affairs being shielded from the proprietors?34

McGillivray was concerned, and well he might be at a time when his Canadian creditors were taking a final bite from his credit, that the Mexican venture succeed. As he wrote to Richard Heathfield, Chairman of the Board: "all that I saved from the wreck of a once ample fortune—my character—is staked upon the management of the affairs of this association."35 The immediate source of McGillivray’s distress was that the U.M.M.A. successfully had used his name in 1830 to attract new capital, money that had now been expended, and some of it foolishly by Don Lucas Alamán. McGillivray was disturbed that the Directors had chosen to conceal the fact that still more capital would be needed if the association were to go on. In the meantime the firm was borrowing on
the London market against the security of property in Mexico.\textsuperscript{36}

It was a difficult decision for the London board to make—McGillivray vs. Alaman. The prospects for success under the Mexican’s guidance always seemed so very bright. Henry Ward, British Chargé d’Affaires in Mexico from 1825 to 1827 and the acknowledged British “expert” on the subject of the mines, felt in 1829 that the U.M.M.A. had “arrived at the point where failure becomes almost impossible.”\textsuperscript{37} Ward did concede that in the past management’s control of field operations had been deficient and that poorer mines had been opened at the expense of potentially richer ones.\textsuperscript{38} But all had been rectified by late 1828, and Alaman had informed him that very soon many of the Company’s mines would be yielding individually £12 to 15,000 per week: Ward concluded that it was highly unlikely any further call for capital would be necessary.\textsuperscript{39}

Gradually, however, the realities of the situation moved the London Directors to see the logic of McGillivray’s balance sheets. After months of uncertainty the Board decided in his favour. Don Lucas promptly resigned his post, and by July 1832 McGillivray was in complete control of Mexican affairs.\textsuperscript{40} Consequently he moved closer to the mines, to the city of Guanajuato, early in 1832.\textsuperscript{41}

Mine-owners faced gigantic capital costs. Costly steam-powered machinery, from Europe or America, was considered the key to rehabilitating old mines. But often there was no direct transport route to the minehead, and new roads had to be built over which to haul the bulky machinery. Besides, only a small supply of fuel was available locally so much of that had to be imported as well. As a result mining costs in Mexico were eight times what they were in England or Germany.\textsuperscript{42}

Further, in 1831 the Mexican government had passed laws requiring miners to cart their gold or silver to government mints for coining and refinement, even though the ultimate end of much of the silver might be, for example, conversion into tableware. The opportunities for banditry were extensive and put further costs for protection upon mineowners. McGillivray wrote Edward Ellice of frequent robberies of the Company’s silver bars, and of one spectacular raid by 60 armed men who plundered a wagon train with 12 armed guards whom they killed or left for dead. The dead included English gentlemen. The fact that the perpetrators had not been punished for this crime outraged McGillivray.\textsuperscript{43}

So McGillivray at last had a chance to show his vaunted business abilities. But the Mexicans now openly criticized the U.M.M.A., no longer associated with the politically powerful Don Lucas Alamán, for
taking vast sums out of the country. In fact, as McGillivray complained to Easthope, the sad truth was the firm had brought millions into the place (of pesos, that is) and dropped over a million into restoring one mine alone—the works at Royos.  

McGillivray was himself again making money and was determined to stay in Mexico at least for the remainder of 1833. In March of that year he was able to remit £3,000 through Ellice, in partial payment of his obligation to his old friend. But the political climate of volatile Mexico soon took a turn which was disastrous for McGillivray’s enterprise. Since independence in 1821, the control of the government had swung wildly between two groups: Centralists and Federalists. The Centralist factions argued for a paid national army, a state religion, indeed a union of Church and State, and weak provincial government—in short, a continuation of the former viceregal tradition. Federalists wanted the opposite. They believed local institutions were best served by the creation of near-autonomous states with strong local militias.

Federalists had been in power in Mexico in 1829, but by McGillivray’s arrival in 1830 the Centralists had taken over. They retained control until 1832, when that flamboyant king and king-maker Antonio Lopez de Santa Anna seized power. But S-A preferred to remain in the shadows, and his vice-president Valentin Gomez Farias took charge. Don Lucas Alamán had been a Centralist of the old viceregal stamp, but he was nimble enough to adapt to new times when required.

Once in office, Gomez Farias began a vicious attack on the church and the army, demanding that education be secularized, that monks be released from their orders and that certain church properties be confiscated by the state. Furthermore the state, he declared, should control all ecclesiastical appointments. Additionally the size of the army was to be cut, and the budget slashed with all officers’ privileges (called fueros) removed.

The result of this grand programme was a sharp, vicious civil war. In midsummer 1833 Guanajuato was occupied by Centralist groups, whom McGillivray, the good corporate citizen, labelled the “insurgent army” or “army of the faith”. He complained to the Company’s court in London of a “state of constant and daily increasing alarm and annoyance”, suggesting it seemed a “religious duty” of the insurgent Centralists “to make war on Foreigners and Heretics”. More importantly, he raged that the Company had been “robbed” of 80,000 pesos and its property destroyed to the tune of 20,000 in the occupation and the eventual re-taking of the city by Loyalist forces under General Santa Anna. “Upwards of $100,000 [pesos]” had been lost then, in the
invasions of the city, and McGillivray reported that further afield “the destruction of our property sanctioned or suffered by the legal authorities... amounts to four times that sum.” Besides, the Company was “threatened... , stripped of our rights by unjust claims, and suffered iniquitous decisions against us in Tócatecas, Sombrerete, El Oro, and in Oaxaca,” or “in short, at any point where we have any interest open to attack.” McGillivray found these turbulent events “discouraging and disgusting” and concluded Mexico was “a Country where we either lose our capital in bad mines, or are liable to be plundered of it as soon as they become productive.” He feared the news would convince the English proprietors “to wind up and put an end to the concern.”

As far as his personal connection was concerned, he wrote to Ellice that the uprising meant a case of “Othello’s occupation gone”, and all that remained was a contract “with some of the most consummate scoundrels I have ever come across, and,” he confided needlessly, “you know that in former times I had the benefits of some experience in this way.” Anyway, he announced both his resignation and his hope to be in England within the year.

The resignation was accepted, and McGillivray was relieved that he could pull out before his salary became “burthensome” to the proprietors. The only persons of merit in the concern, as far as he was concerned, were John Easthope, James McKillop and David Marrisonbanks, all old Canada Company cronies, but he concluded that the court at least now were “satisfied, that they might have saved much money, if they had adopted my opinions three years ago.”

McGillivray was eager to return to London. Privately he wanted to know “precisely, how I stand in the world, with reference to my old unfortunate concerns.” He was most anxious for the future. Even if the Mexican position “had not slipped from under,” he would have found it “very difficult” to reconcile himself to further life there. Also, he admitted to Ellice, he was “now growing an old Fellow [he was 49] with little time to waste on unsatisfactory pursuits.” He sent to Ellice’s care “all the funds I can command” which were, he agonized “much less than they might have been” had “the Country been in a Peaceable state.”

So McGillivray’s Mexican adventure was at an end. What would he do now? Financially he was in better shape. His debts had been settled, even though bankruptcy had been the price. Ellice had proven a staunch supporter and McGillivray had paid him back as much as he could. When he returned to England, he would have a sum of £2,000 as a basis
to restore his life. It was, as he confessed, "all I have in the world," but he knew that he could "never reconcile myself to dependence" and was convinced "there is still too much useful work left in me, to sink yet into retirement." He asked Ellice cautiously of "eligible public employment" but decided "there are but few offices, which would suit me, or in which I could do my friends or myself any credit." As it turned out, McGillivray’s friends would provide him more than a rescue.

McGillivray was back in England at the beginning of 1835. There was still no job, but for some time his relations with John Easthope had been warming, and more than once Easthope had held out that there might be opportunities for him. Easthope sat on the Boards of a number of distinguished firms, and McGillivray, as we have seen, came to know him through both the Canada Company and the U.M.M.A. Recently, he had bought the ailing whiggish newspaper, The Morning Chronicle, and McGillivray was invited to become involved in its operation, in a part-time fashion, until his prospects brightened. The paper needed all the help it could get, and McGillivray leapt at the challenge. Certainly he had little else to occupy him. Although he was not in fear of further visits to the Court of Chancery, he had lost all his property and was forced to live in rented accommodation. The Chronicle beckoned as a welcome refuge from further City storms.

Easthope had acquired a paper which had been running at a loss for several years. The circulation (4,000 daily in 1819) had dropped to less than a thousand a day. The paper had gone cheap—£16,500—a further indicator of harsh times. The lion’s share of the purchase was held by Easthope with McGillivray and another partner, James Dewar, a publisher of Paternoster Row, taking minor shares.

Within a few months the paper’s health improved dramatically. John Black, a Scot of considerable learning and of a scholarly bent, was retained as editor, largely at McGillivray’s bidding “to whose heart the fact of a man’s Scottish birth was a sure pass port.” But the new owners kept him on a tight leash. As the gossipy Henry Greville noted in his diary, the paper quickly became a Whig mouthpiece: “The Whigs set to work, and Hobhouse, Normanby, Poulett Thomson, Le Marchant, and several others wrote day after day a succession of good articles, which soon renovated the paper and set it on its legs.” Better arrangements were made too for gaining foreign and colonial correspondence, particularly on the revolutions in Spain and Portugal, which boosted circulation as did the accidental circumstance in June 1837 of the Times, the Chronicle’s chief rival, switching to Tory politics because of a change in Melbourne’s ministry.
McGillivray's energies, interests and abilities seemed particularly suited to the highly-charged life of a metropolitan newspaper. Charles Mackay, the distinguished Victorian poet and journalist, who was at that time a young reporter on the Chronicle, remembered McGillivray with enthusiasm: "a warm-hearted and impetuous Highlander." Further he stated McGillivray "had been a prosperous Merchant in Mexico", so it appears that even if McGillivray had not repaired his fortunes, at least he could give the appearance of having done so.58

The Chronicle and Times always ran a close race for public influence. Slanders were common enough. On 13 June, 1835 the Times labelled the Chronicle, in a clear reference to Easthope and McGillivray's commercial associations, a "disgraceful morning print, which made up of such contributions as the licentiousness and leisure of stockjobbing may furnish, actually feeds on falsehood and lies so largely day by day that one might think that in its case 'increase in appetite had grown by what it fed on'." That same day the Chronicle declared that "the poor old 'Times', in its imbecile ravings, resembles those unfortunate wretches whose degraded prostitution is fast approaching neglect and disgust."59

Journalistic rivalry was occasionally translated into physical action. Editor Black and McGillivray became involved in an issue which had generated conflict before—the stamp tax. Commencing in 1815 the stamp tax on newspapers was fourpence, which forced the papers to drive their prices up at a time when the expanding reading public called for cheaper newspapers. John Arthur Roebuck, Canadian-educated M.P. for Bath, accused John Black of supporting this stamp duty. Charles Mackay has left a record of what followed:

In this attack [Roebuck] singled out Mr. Black by name; and Black's impetuous friend MacGillivray [sic] decided that nothing was left for the honour of London journalism but that Black should be its champion, and challenge Mr. Roebuck. The duel took place on the 10th of November, 1835, near Christchurch, in Hampshire, two shots were exchanged; neither combatant was injured, honour was declared to be satisfied, and Black and MacGillivray returned to London to MacGillivray's rooms in Salisbury Street, Strand, where they were reported to have celebrated the event in copious libations of mountain dew, of the merits of which both of them were excellent judges.60

Mackay writes with affection of McGillivray. He recalled that in a competition between himself and William Makepiece Thackeray for the
sub-editorship of the *Chronicle*, Mackay won out because of McGillivray's highland enthusiasm for him. Even so, Thackeray remained a contributor to the paper during McGillivray's tenure, as did the younger writers William Hazlitt and Charles Dickens. The latter was paid five guineas a week as a reporter and two guineas extra for any of his "Sketches by Boz" which appeared in 1837 and were published in a new Easthope venture, *The Evening Chronicle*, unhappily doomed as too much a rewrite of the earlier edition.

Politics were the real stuff of the *Chronicle*. Charles Buller and Lord Holland were frequent contributors, Joseph Parkes, the Whig's publicity agent, also appeared weekly, and McGillivray's old friends, the Duke of Sussex and Edward Ellice both wrote for the paper. The Liberal champion of the Day, Lord Durham, usually collaborated with Ellice. No attempt was made to be impartial about news at the *Chronicle*—the editorial slant was always apparent. And it fitted perfectly with McGillivray's own opinions, particularly about the colonies and commercial life, and the proper environment for the success of British business. An issue of the paper for 28 December 1837, published during Canadian rebellions, provides a good example. The *Chronicle* argued, as would Lord Durham, that the distress in Canada had racial roots with religious overtones. The French aim was to toss the British out and to seize their property in the name of "La Nation Canadienne". It was a threat that must be vigorously answered, the paper went on:

> It is not a question of constitutional liberty; but a question between narrow notions, bigotry and monopolies of the worst sort, and a liberal system of government—between justice to British citizens and confiscation of their lands and goods.

McGillivray could well have been thinking of Mexico as well as Canada. His old enthusiasms for pamphleteering could be satisfied on a daily basis at *The Morning Chronicle*.

In September of 1834 McGillivray had written Ellice concerning some business affairs, and in passing mentioned the marriage of his old friend's son. McGillivray decreed: "Marriage is one of those acts that ought to be done in youth, if at all" for the man would then have a "better chance of the connexion being a source of happiness to himself and satisfaction to his friends." All of these cautious, pompous, self-serving observations were soon abandoned, and by 1837 McGillivray, at the advanced age of 54 was locked giddily into perhaps the only romance of his life. The recipient of his stumbling, sophomoric affections was Ann, the daughter of his friend and benefactor John Easthope.
McGillivray had long been a distant admirer of Ann, but they hardly seemed a match. She was shy, retiring, interested in the confines of the domestic life and extremely religious; McGillivray was precisely the reverse. By September of 1837, however, McGillivray confessed his affection to John Easthope, and admitted the obstacles—he had little money, there was a great difference in their ages, and other than the newspaper, he had few prospects. The appearance of a rival (an Irishman named Smith) had caused him to blurt out his intentions, but Ann had demurred, pleading for time.

Simon was upset. “This is the first proposal of this kind I have ever made” he declared to Easthope, and with melancholy self-indulgence, he added, “and if rejected it will be the only one I ever shall make.” Easthope correctly left it all up to Ann, and she turned McGillivray down, explaining that since he would have to change his intolerable habits, all appeared “fruitless expectation”. But after considerable posturing she relented. Simon was exultant. Easthope held out an offer to launch him along with one of his own younger sons in a stockbroking business to bolster the arrangement. And McGillivray was able, with scrimping, to set aside enough money so that should he die, his wife would receive an annuity of £500 per annum.

A “settled” McGillivray could now return to some of his old pursuits and did so with enthusiasm. He had never lost his interest in Canada even though it had been his Canadian interests which had swamped him. In March of 1834, while in Mexico, he had arranged purchase of 25 shares of Canada Company stock—the minimum necessary to requalify as a director, and four years later in May of 1838, he was welcomed once again to that board. Ten years after his debacle, then, he felt secure enough to move about the City once more.

McGillivray’s interest in Freemasonry had sustained him through most of his trials, and judging by his voluminous correspondence concerning the Craft it was as much passion as interest. It is uncertain when he became involved, but he was formally inaugurated in London at the Shakespeare Lodge in the City. He held various ranks in England, and with his friend the Duke of Sussex, in 1818 helped restore the Royal Alpha Lodge, for many years thereafter the private lodge of a succession of Grand Masters.

But it was his involvement with Canadian Freemasonry which was notable. In 1822 the Duke, Grand Master of the English Lodge, and well aware of McGillivray’s Canadian connections, established him as Provincial Grand Master for Upper Canada and deputed him to report on the state of affairs in Upper Canada, news of which had been most
discouraging. McGillivray, already travelling to Canada on fur business, took on an additional heavy burden with his Masonic Commission. He found mass confusion amongst Masonic groups throughout the province, with no recognized authority—particularly at odds, more a result of misinformation than any real dispute, were the lodges ranged around Niagara and those centered at Kingston. McGillivray, through a series of personal visits, smoothed over the difficulties, and saw a simple solution in the establishment of a Provincial Grand Lodge similar to that of Lower Canada, with all members co-existing in terms of the rules of the fraternity as laid down by the English Grand Lodge.

McGillivray returned to England in February, 1823, and reported to the Grand Master in characteristically “voluminous” fashion. The Duke and other Masonic officials heartily approved all McGillivray’s efforts, and he would remain Provincial Grand Master until his death. Generally the affairs of the Craft in Canada prospered while McGillivray was able to make regular visits, for he maintained the same discipline and regularity in their concerns as in his own bookkeeping. But McGillivray’s reorganization, useful as it was, didn’t completely satisfy the Canadian masons. Upper Canada was too large to be administered efficiently under one lodge, and it was difficult to find capable officers to fill positions demanding so much time and application. As a result the Craft in Canada fell on hard times. Individual lodges carried on but a central organization and the British connection were dormant.

While in Mexico, McGillivray had few thoughts concerning the Canadian Craft and could little afford to become involved in the local versions. Masonry in Mexico had a distinctly political tinge. Anticlerical in nature, it was too self-serving for McGillivray’s taste, and too violent. In Mexico two lodges—the escoceses (based on Scottish rites), and the yorquinos (based on York rites)—were in constant rivalry. The former were conservative and Centralist, whereas the latter were liberal and Federalist. Vicente Guerrero, Mexican president during much of Simon’s stay in the country, was Grand Master of the yorquinos, but the ascendancy of one rite over another was never established because of rabid factionalism. McGillivray yearned for news of the Craft, complaining to a brother English mason, that he had “no Masonic Correspondents.” “In this country” he observed “what are called Masonic Meetings are in reality secret Political Societies in which it would be unwise for a Foreigner to mix.”

During his Mexican sojourn he did express his anxiety concerning the Canadian craft in a letter to the Grand Lodge in 1831, but little action seems to have been taken. In May of 1837, two years after his return
from Mexico, McGillivray appointed John Auldjo (incidentally a cousin) to be Deputy Provincial Grand Master, but there is little evidence to suggest Auldjo did more than pay a visit to the Canadas.

Auldjo and McGillivray were close—Auldjo had been a Mason since 1826, indeed had married McGillivray’s sister Anne in September of that year. Moreover McGillivray had defended Auldjo in a spectacular series of high society gaming disputes in London in the years 1826-7. It seems that Auldjo, still a minor, formed one of a party of young rakes who met at Richmond near London and after some drinking and dining engaged in a card game, Unlimited Loo. Auldjo won a few hands at first but his luck soon turned, and he ended up in substantial debt. Upon returning to London, Auldjo was made aware that other young gentlemen had lost large sums to the same individuals in the same way. He decided he had been “taken” and instituted a suit against three of the players—Augustus O’Neill, Bethell Walrond and John Matthew Boland. Two further players were noblemen, the Marquis of Clanricarde and Lord Howth, and they became implicated in the affair when the suit was reported in the London papers in November and December of 1826.

The Marquis set out to clear their names, and in the ensuing competition for newspaper space, young Auldjo’s position was defended by both Edward Ellice and Simon McGillivray. The exchanges were swift and cutting and questions of the participants’ “character” formed the dominant theme. McGillivray accused Clanricarde of bringing Auldjo into the game knowing full well that he was anything but worldly and scarcely knew how to play. Clanricarde argued that young Auldjo seemed worldly enough to him; indeed, he had suggested the game. A slanging match followed and ranged over many weeks in different papers. Simon eventually argued that if any man of honour would say the money was fairly won he would pay it—rather a magnanimous proclamation considering his financial state. Clanricarde responded that McGillivray’s case was a “tissue of lies”. But Simon stuck to it and challenged Clanricarde to sue for libel if he were wrong. Apparently the noble lord demurred, and we know nothing of the fate of the case against the commoners. Certainly McGillivray was bound closer to the Auldjos and Ellice through their mutual defence.

McGillivray made a last visit to Canada in 1838, and on his return argued that the English lodge institute one last reorganizational effort. Simon himself had hoped to resign as Provincial Grand Master, but no successor could be found. At one time a plan had been suggested that Lord Durham, also a Mason, might report on the Craft as well as the
government of Upper Canada, and so succeed McGillivray. That scheme had been shelved, and McGillivray carried on. His final advice was to divide the province into two jurisdictions, an Eastern one centered at Kingston, and a Western at Toronto. 81 None of these ambitions was to be realized.

By the late 1830s McGillivray’s outlook had improved vastly. He had found in journalism a vocation which suited him, and he was making a little money at it; he could make his way in the City again amongst his old friends; he remained interested in Masonry in England and in Canada; and he was enjoying his marriage and restored family-life. Indeed his wife had a daughter, Mary, in 1838, and he soon (by early 1839) established himself in a large house in prosperous Dartmouth Row, Blackheath, not far from the City. 82 But the years spent in Mexico had been hard ones on his health, and the sun had burned his clear complexion to a rough-hewed ruddiness. Although his brother William had suffered severe and painful attacks for a number of years before his death, Simon’s demise came with unexpected swiftness. After a few day’s illness, he passed away on 9 June, 1840, 83 apparently of heart disease. He was only 55.

Simon McGillivray then, was scarcely inactive in the period from his fateful collision with the Hudson’s Bay Company until his death almost 20 years later. He scrambled to survive, and succeeded even if he failed to restore his “once ample” fortune. At his death his estate, doubtless augmented by John Easthope, was estimated at £35,000—84—a sizeable sum for a man who a decade before was a bankrupt.

McGillivray’s life should be measured by something more than balance sheets. Although he was hardly a typical “City gent” of his time, he did symbolize in a good many ways a new class, what we now label the nineteenth-century liberal businessman. In fact, his personal qualities read like the chapter headings from the works of Samuel Smiles. McGillivray had them all: “Application”, “Perseverance”, “Energy”, “Courage”, “Character”, “Self-Control”, “Duty”, and so on. We are more familiar with the successful figures—the George Stephensons and Samuel Cunards of the period. Or celebrated failures such as George Hudson or the early I.K. Brunel. As much, perhaps more, can be learned of the business environment and society of the time by looking at those occupying the middle-ranges, the “not-so-successfuls”, the “near-missers”, the “also rans” such as McGillivray. Bankruptcy was common enough. Recovery from bankruptcy less common but not unknown. Succeeding generations of McGillivray’s family might have blamed him for their fortune’s loss, but they were far too harsh to have dismissed him altogether.
NOTES

1. Douglas McCalla, Peter Baskerville and Fred Armstrong have done valuable work in this area. Of particular importance is Gerald Tulchinsky's recent study The River Barons: Montreal Businessmen and the growth of industry and transportation, 1837-1853. Toronto, University of Toronto Press, 1976.


8. Ibid.


11. Ibid., pp. 409-414.

12. Ibid., pp. 435-7; Campbell, Northwest to the Sea. p. 216.


15. Archives of Ontario (hereafter A0), Canada Company papers, A-2 vol. 1, Minutes of the Court of Directors, 12 August, 1824.


17. A0, Canada Company papers, A-2 vol. 2, Minutes of the Court of Directors, 4 and 11 April, 1827.


19. A0, Canada Company papers, A-3 vol. 2, Minutes of Committees, 1826-9, passim.

20. Wallace, Documents . . ., p. 34.


23. Ibid., p. 155.

24. News of Mexico's vaunted mineral wealth had been transmitted throughout Europe chiefly by Alexander Humboldt's much publicized Political Essay on the Kingdom of New Spain (1811).


29. P.A.C., McGillivray Papers, McGillivray to Easthope, 23 March, 1830. McGillivray's detailed description of the expedition is amongst his papers at the P.A.C.

30. Ibid., McGillivray to Haldane, 31 March, 1830.

31. Ibid., McGillivray to Ellice, 16 January, 1831.

32. Ibid., McGillivray to George Wallace, 15 February, 1831.

33. Ibid., McGillivray to Easthope, 28 February, 1831.

34. Ibid., McGillivray to Richard Heathfield, 29 March, 1831, and to James McKillop, 1 April, 1831.
35. Ibid., McGillivray to Heathfield, 3 April, 1831.
36. Ibid., McGillivray to Heathfield, 30 June [1831], and to Easthope, 1 July, 1831; McGillivray to Ellice, 3 October, 1831.
38. Ibid., pp. 517-18.
39. Ibid., p. 525.
41. Ibid., McGillivray to Ellice, 27 January, 1832.
42. Cumberland, Mexico . . . , pp. 149-151.
43. Ibid., p. 151; P. A. C. McGillivray Papers, McGillivray to Ellice, 16 January, 1834 [1].
44. Ibid., McGillivray to Easthope, 24 March, 1833.
45. Ibid., McGillivray to Ellice, 27 March, 1833.
46. Cheetham, Short History of Mexico, p. 148.
47. P. A. C. McGillivray Papers, McGillivray to Court of Directors, 16 October, 1833; McGillivray to W. A. Symonds, 13 October, 1833.
48. Ibid., McGillivray to Ellice, 7 April, 1834.
49. Ibid., McGillivray to Ellice, 25 September, 1834.
50. Ibid., McGillivray to Ellice, 29 May, 1834. As it turned out, of the seven mammoth British groups originally formed in the 1820s to exploit Mexican mines, only the U.M.M.A. survived past 1850. In the end it managed to return at least some of the original capital outlay in the form of dividends to the investors. See Cottrell, British Overseas Investment, p. 19 and Jenks, Migration of British Capital, pp. 56-7. See also J. Fred Rippy, British Investments in Latin America, 1822-1849, Minneapolis, University of Minnesota Press, 1959, pp. 17-32.
51. P. A. C. McGillivray Papers, McGillivray to Ellice, 29 May, 1834.
52. Ibid., McGillivray to Ellice, 21 August, 1834.
53. Ibid., McGillivray to Ellice, 20 July, 1834.
54. Ibid., McGillivray to Ellice, 30 September, 1834.
60. Mackay, Forty Years, vol. I, p. 90. It is not impossible that McGillivray was acquainted with Roe buck. In 1835 Roe buck had been made English Agent for the House of Assembly of Lower Canada; besides he was one of the originators of the Reform Club. There is also some evidence to suggest that McGillivray wanted to take on Roe buck's second, Samuel Revans, in a duel himself. See R. E. Leader (ed.), Life and Letters of John Arthur Roe buck, London, Edward Arnold, 1897, pp. 191-3. Nothing came of it.
   Of the Black/Roe buck duel, the Illustrated London News of 7 July, 1855 commented in its obituary of James Black: "It is hoped that the Black and Roe buck duel will continue to be, as it now is, the last affair of the kind connected with politics, or the ill-feeling arising out of them".
63. Ibid., p. 90.
64. The Duke's political views were diametrically opposed to those of his father. See Mackay, Through the Long Day, I, p. 52.
66. P. A. C., McGillivray Papers, McGillivray to Ellice, 29 September, 1834.
67. Ibid., McGillivray to Easthope, 25 September, 1837.
68. Ibid., Easthope to McGillivray, 25 September, 1837; Ann Easthope to McGillivray, 28 [September, 1837].
69. Ibid., Easthope to Ann Easthope, n.d.; Easthope to Ann, 11 October 1837; McGillivray to Ann, n.d. Later the £500 annuity involved some litigation with Samuel Gerrard of the Bank of Montreal, but Ann's case was upheld and the sum paid. Ellice may have been responsible for the annuity's establishment, for in 1843 he admitted to having given Simon £10,000 at some point. Ibid., Ellice to [Ann] McGillivray, 29 October, 1843.
70. A0, Canada Company Papers, A-5-1 vol. 3, Stockholder's Ledger, p. 163; A-2 vol. 3, Minutes of the Court of Directors, 24 May, 1838.
72. Ibid., pp. 43, 55.
73. Ibid., p. 99.
74. He was generous with money as well as time and personally advanced "some hundreds of pounds" towards establishing the Provincial Grand Lodge at a time when he was desperately short of money. For many years the impoverished local lodges struggled to pay him back.
Ibid., p. 108.
77. Ibid., p. 157.
78. Ibid., pp. 157, 195.
80. P.A.C., McGillivray Papers, vol. VII, "Gambling in High Life, Extracts from the London Newspapers . . . from the 26th of November 1826, to the 13th of January 1827". It appears that Lord Clanricarde set much store in the opinion and character of a certain Sir St. Vincent Cotton. McGillivray did not share this high opinion, implying that any support Clanricarde might receive from Cotton would be influenced by the fact that Cotton had lost some £13,000 to Clanricarde in two sittings at cards. Little is known of Cotton but the Dictionary of National Biography entry is worth noting:
COTTON, SIR ST. VINCENT, (1801-1863), Sixth baronet of Madingley, Cambridgeshire; eldest son of Sir Charles Cotton [a distinguished naval officer]; educated at Westminster School and Christ Church, Oxford; lieutenant of dragoons, 1827-1830; played cricket, 1830-35; patron of sport; gambled away his estates; made a living by driving the stage coach between London and Brighton.
84. A0, Canada Company papers, A-5-13 vol. I, Register of Wills, 1826-1876, p. 77.