

Morgan's of Montreal

Morgan's was a family business started by Henry Morgan in the mid-19th century. After years of growth and retail innovation, Morgan's was purchased by HBC in 1960.



THE BIRTH OF THE BUSINESS EARLY STORES MOVE TO PHILLIPS SQUARE

THE 1923 EXPANSION EXPANSION OF MORGAN'S ACQUISITION BY HBC

RENOVATION AND EXPANSION: 1964 TO 1966 THE TRADITION CONTINUES

The Birth of the Business

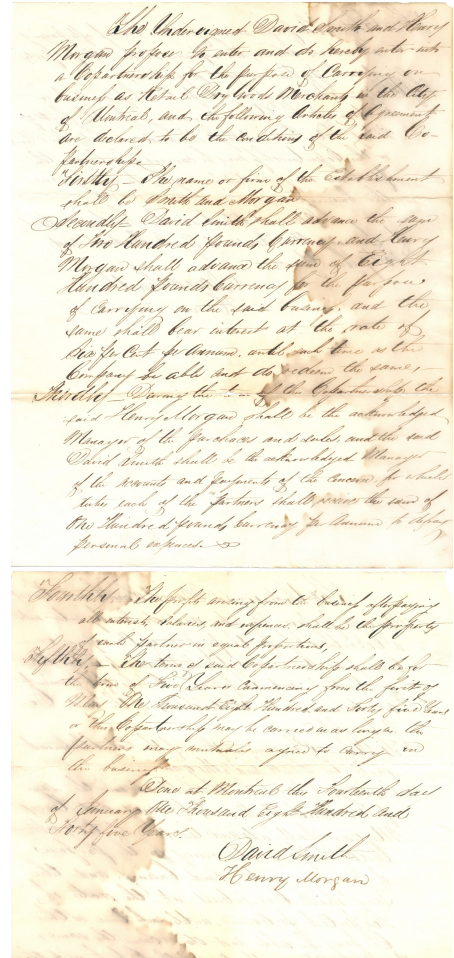
In 1844, 23-year-old Henry Morgan left Glasgow to seek his fortune in Montreal. He was a veteran of the dry goods trade, having been apprenticed at the age of 14. Armed with a letter of introduction to a client of his elder brother, a respected retailer, he set sail in April. Henry arrived in Montreal in May of 1844. Almost immediately,

he made contact with David Smith, another expatriate Scot, and his business associate, Thomas Waddell. The two men were impressed with young Morgan and offered him a position on the spot. Before the end of the year, Henry Morgan had edged out Waddell to become Smith's main partner.

Morgan liked and admired Smith, who was intelligent, honest, and experienced. Smith in turn saw in Morgan an ambitious man with an impeccable network of contacts in the Glasgow dry goods trade. In January 1845, the idea for Smith & Morgan was born. David Smith provided the experience and financial expertise, and Morgan's job was buying and selling. Smith & Morgan opened to the public May 22, 1845.

Within a few years, the business was overextended. At the same time, a depression took hold. Smith & Morgan was unable to pay its overseas suppliers for stock purchased earlier on credit. David Smith went to Glasgow trying to soothe unhappy creditors. Before he left Scotland, Smith wrote to Henry Morgan's brother James that he would be willing to sell his share of the business for £4,000. James accepted and joined Henry in a 50-50 partnership in 1851.

In Glasgow, James worked on buying stock for the new venture and trying to rehabilitate Henry Morgan's reputation with suppliers. James's own personal affairs suffered by association and the partnership almost broke up because of it. What finally tipped the scales was the April 1851 balance sheet, which showed a healthy profit despite the preceding years of difficulty. James and his family left for Montreal in early 1852. The family business, now called Henry Morgan & Company, had begun.



Early Stores

To chart the location of the Morgan's stores over the years is to outline the growth and development of the city of Montreal. Smith & Morgan opened in 1845 with two clerks at 200 Notre Dame Street (now 404 Notre-Dame Street West.) just east of McGill Street — within sight of the masts of Montreal harbour. In 1853, Henry Morgan



& Company had moved to larger premises at 100-102 McGill Street (now 478 McGill Street) and had 40 clerks. Five years later, the company acquired premises around the corner at 3-5 St. Joseph (now 610 Notre Dame Street West), effectively extending the store to an “L” shape with access from both streets. It was at this time that the store began to be known as “Colonial House,” a name that emphasized its connections to

Britain and would remain in use until the mid-1930s.

The next move took the store a short distance into the financial district. In 1866, the company opened in premises on St. James Street at Victoria Square. The new building had four storeys and 100 clerks. In 1874, a fifth floor was added and the business employed over 150 clerks. By this time, the business had been transformed from one specializing in dry goods into a department store selling items like ready-made apparel, furnishings, and china.

Move to Phillips Square

Henry Morgan never married, but his brother James had a son, also named James (James II), who followed his father into the family business in 1863. He was joined by his cousin Colin, son of a third Morgan brother, in 1869. Colin Morgan is credited with conceiving the most significant move of all. In 1886, Montreal suffered a devastating flood. Morgan's suffered major losses to inventory stored in its cellars. Morgan's key clients were moving to the edges of the city and building lavish properties in new residential areas. In 1889, Colin and James II decided to re-locate to the top of Beaver Hall Hill and they began to buy property on the north side of Phillips Square, at the corner of Ste-Catherine Street and Union Avenue.

Local residents were appalled and competitors were amused. Everyone but the Morgans thought that the venture was doomed to failure. In April 1891, the company opened its doors in its new location and never looked back. Within five years, the Ste-Catherine Street area had become the new retail heart of the downtown. The Ste-Catherine Store originally had the address 2185 Ste-Catherine. When the street was divided into east and west sections at Ste-Laurent



Boulevard in 1905, the store's address became 305 Ste-Catherine West. The current street number, 585, came into effect in 1928.

The new Colonial House was four storeys, with the top floor home to the Morgan Factories. Here, large numbers of seamstresses, cabinet-makers, and upholsterers were engaged in making custom clothing, draperies, and furnishings for the store's own galleries. In this respect, Morgan's was noticeably different from other retailers — including Hudson's Bay Company, which was never directly involved in manufacturing.



By 1900, space in the store was at a premium. In order to reclaim the fourth floor for retail, the company purchased two locations on Beaver Hall Hill, including the premises of the Dominion Motor Coach Company,

and relocated the Morgan Factories there. Those locations on Beaver Hall Hill were at the intersection of Jurors Street (now Viger) at Victoria Square, thereby allowing Morgan to reestablish presence on a different side of the Square for manufacturing 15 years after moving the main premises uptown. The motor coach business was maintained and Henry Morgan & Company expanded into building car bodies and upholstery. During World War II, this division of the business had a contract making seats for Mosquito bombers (<http://www.historynet.com/the-miraculous-mosquito.htm>). Meanwhile, the factories evolved into a complete interior design service. Morgan's clients could rely on the company to fully outfit home and office space, from paint to carpeting to furnishings.

The 1923 Expansion



Continued growth and success meant that, in the early 1920s, plans were underway for a major expansion. It was decided to re-locate the building 300 feet up the street. The new addition, eight storeys above ground as well as a basement, was built of reinforced concrete. The expansion more than doubled the store's area to over 309,000 square feet. Seven large display windows measuring eight by 20 feet each were added along Union Avenue. The expanded main floor, covering over 34,000 square feet, was entirely outfitted in walnut fixtures. New freight elevators were installed, capable of hauling a fully laden cart and team of horses or a ten-ton motorized truck. A brand-new physical plant, delivering heat and electricity to the store, was built on the east side of Aylmer, connected to the store by a tunnel under the street.

Morgan Factories acted as general contractor on the project, supplying foundations, concrete, plumbing, heating, interior trim and paneling, carpentry, plastering, painting, and linoleum tiling. Colin Morgan laid the cornerstone of the new addition on April 21, 1923 32 years to the day after the opening of the store. Opening day was set for November 15th an aggressive timeline of only 196 working days from start to finish!

Expansion of Morgan's

The 1950s saw the expansion of Morgan's beyond the downtown. In this respect, the company's development mirrors that of other retailers, who responded to the post-war economic boom and exodus of city-dwellers to the suburbs by opening branches in these new areas.

The first branch, in the Snowdon area of Montreal, opened in 1950, followed later that year by another on Bloor Street in Toronto. In 1951, the company acquired R.J. Devlin on Sparks Street in Ottawa. The store at Boulevard Mall in the northeast of Montreal opened in 1953, Dorval Gardens in 1954, Lawrence Plaza in Toronto in 1955, followed by Hamilton in 1957, Rockland Centre in Montreal in 1958, and Cloverdale in Etobicoke (Toronto) in 1960.



But Morgan's did not forget its roots. In 1952, the company again proved its talent for innovation by leasing the basement of the Ste-Catherine Street store to local Montreal grocery chain Steinberg's. The need for a "grocery" had been for some time a topic of discussion among the company's directors. "One-stop shopping" — the hallmark of the shopping centre — had arrived downtown.

The cheerful mural of the "cabbage-men", which decorated the stairwell, was widely noted in press clippings of the time. "Steinberg's at Morgan's", as it was known, had slightly different hours than the store to accommodate the needs of shoppers who wanted to do their marketing on their way home after work. The grocery even made deliveries in the immediate area.

Acquisition by HBC

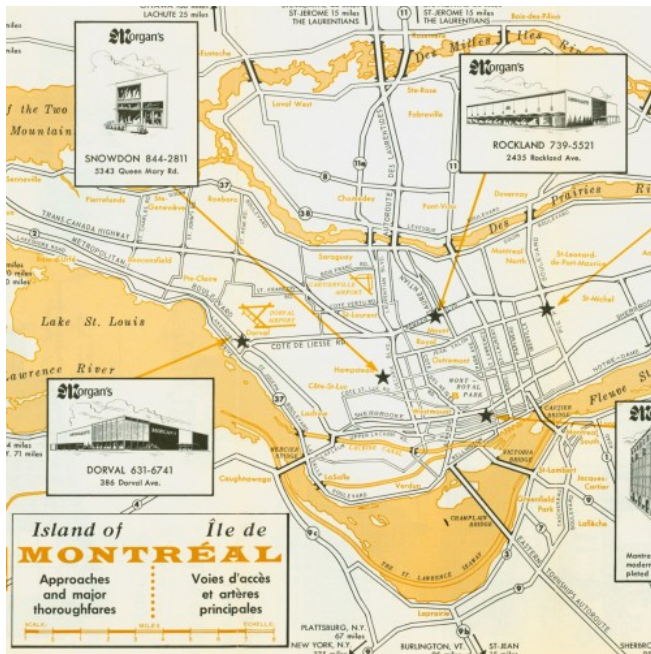
At the end of 1960, an agreement was reached between Henry Morgan & Company and Hudson's Bay Company, whereby the two became a single entity. Although some sources refer to the deal as a "merger", in essence Hudson's Bay Company purchased Morgan's outright from the Morgan family. Many Montrealers are unaware that the acquisition took place this early because the Montreal-area stores continued to operate under the Morgan's name until June 1972.

Both sides had sound reasons for the merger. David Morgan, who published a history of his family in 1992, suggested several reasons for Morgan's decision to sell. Expansion to the suburbs and into other cities was proving extremely expensive and profits were not up to expectations. Bart Morgan, then President, was almost 50 and already pursuing other interests. And perhaps more importantly, there were no members of the fifth generation of the Morgan family with an interest in continuing in the business.

According to HBC records, the Company was first approached by a representative of Morgan's about a possible merger as early as May 1957. At that time, the Canadian Committee of the Board of HBC advised against such a plan. In December 1959, however, a senior HBC official went east to view Morgan's operations and reported positively. Expansion had stretched staff to the limit and employees were approaching the age of retirement, indicating future staffing problems. It was also noted that the Morgan family was eager to sell to a Canadian business, rather than American.

The stage was set for a mutually advantageous deal. Hudson's Bay Company acquired ten stores and an immediate presence in eastern Canada, where it had no stores at all. The Morgan's shareholders got one HBC share and \$14 cash for each Morgan's share — an offer worth a total of \$15.4 million. Morgan family members ended up owning almost 7% of HBC stock, thereby becoming the single largest shareholder block.

Renovation and Expansion: 1964 to 1966



Almost immediately after purchasing Henry Morgan & Company, Hudson's Bay Company began planning major renovations to the downtown store. It was felt that the store was out of date and a bit run down. With the resulting expansion, the store came to occupy the entire city block.

New additions included a five-storey parkade for 550 cars, as well as a complete overhaul of all food services in the store, thereby increasing the number of

restaurants and cafeterias to five. Discount retailers were beginning to make significant inroads in the marketplace; HBC responded with a bold plan to make the basement area of the downtown store a budget floor, which it named the “Bon Marché”. The multicultural nature of Montreal inspired the themed fixtures and fittings of this new retail space. The Bon Marché was not only intended as a showpiece, but was assured of high traffic because it was connected to the McGill station of the new Montreal subway, the Métro, which opened in 1966.

The Tradition Continues

At the start of the 21st century, HBC undertook an aggressive renovation at “The Bay” in downtown Montreal. Beginning in the fall of 2001 a significant investment in the store created an environment befitting the Montreal customer. The new concept placed cosmetics shops at the main Ste-Catherine

St. glass-fronted entrance to create an area visible to pedestrian traffic. An accessory and jewelry marketplace was created in the central hub of the main floor. Light levels were enhanced and windows were rediscovered for a bright, airy, shopping environment. Most recently, in 2017, the fragrance section on the main floor was completely revamped.

ABOUT HBC HERITAGE

HBC Heritage is an internal department of Hudson's Bay Company. We are committed to the preservation, education, and promotion of Hudson's Bay Company's history and the ongoing care and maintenance of the Company's historical HBC Corporate Art, Artifact, Image, and Reference Collections.
