

Though characterized in its earlier days by rather loose business methods, due to lack of experience, and distinguished more for class favoritism than for liberality and wise enterprise on the part of its directors, yet it was on the whole a well managed institution, and before the next crisis had arrived it had developed strength, acquired experience, and attached to itself many new interests.

We get an interesting view of the bank and its prospects in 1825, from one of its founders, Mr. J. H. Boulton. While in London that year Mr. Boulton, at the request of Mr. Wilmot Horton, Permanent Under Secretary of State for the Colonies, prepared a sketch of the constitution and business of the bank. In addition to particulars already given, he stated that the directors consisted of members of the Council, crown officers and other gentlemen connected with the Government of the Province, together with four official representatives of the Government, and a few men in commercial life. He thus frankly admits that the bank was in the hands of the governing body known to history as the Family Compact. This, however, he considers to be a particularly strong feature in favour of the bank. The directors, he says, of most of the other banks of Canada and the United States, are commercial men who naturally have a special eye to their own interests. But commercial men are in so complete a minority in the Bank of Upper Canada that there is no opportunity for favouritism. Apparently the members of the Government party were above suspicion in the matter of favouritism. Or more probably he believed, with his associates of the Compact, that when men are merely exercising their own peculiar privileges they cannot be regarded as acting selfishly.

Nevertheless it was quite true that the stability and strength of the Compact, with its command of the Government support, gave to the bank great credit and security in the eyes of the public. This justifies the further statement by Mr. Boulton that the confidence of the public in the bank was unbounded, and that its notes were at par, not only throughout Canada but along the American border, and only at a slight discount in New York. Almost from its beginning the bank had paid dividends of from eight to twelve per cent. on the capital paid in.