

29. Can you state, of your own knowledge, that the amount of paper on which Directors' names appeared, exceeded at any time the proportion of one-twentieth of the entire discounts, as limited by the Act?—I cannot, though I am under the impression that in the year 1866 it did. The total amount of discounts on 30th April, 1866, as shewn by the official Returns, was \$628,328; and if my information be correct, a Bill of Exchange for \$40,000 was discounted about that time, on which the name of one of the Directors appeared.

Witness then withdrew.

Adjourned till 11, A.M., on Monday next.

MONDAY, 14th June, 1869.

The Sub-Committee met.

PRESENT :

Messrs. Morris, Chairman.
Mackenzie,
Street.

The Sub-Committee proceeded to the consideration of the different clauses of the Bill.
Adjourned till half-past 10, A.M., to-morrow.

TUESDAY, 15th June, 1869.

The Sub-Committee met.

PRESENT :

Messrs. Morris, Chairman.
Mackenzie,
Holton,
Street.

James Metcalfe, Esq., M.P., called in and examined :

Ques. 30. Are you President of the Royal Canadian Bank?—I am, and have been so since July last.

31. Have you reason to believe that the amounts set forth under the respective heads in the statement of the affairs of the bank on the 5th instant, exhibiting the assets and liabilities of the bank are correct?—To the best of my knowledge and belief they are correct.

32. Have you made a personal examination of the item in the assets "Notes and Bills discounted, \$2,422,307.07"?—I have done so, with a great deal of care. I went over the paper at the head office, and the returns from all the agents, with the reports of the agents as to the character of the notes.

33. What was the result of your examination?—My impression is that there will be a loss of nearly \$300,000 on the paper in default, and on that respecting which there is already some doubt. Although I consider the residue of the paper held by the bank to be good, it is of course possible that upon so large an amount outstanding there may be some further loss. I think the loss would be considerably increased by a forced liquidation. I do not think that any of the assets are pledged, with the exception of \$50,000 to the Ontario Government.

34. Is your paper generally of large or small amounts?—Generally of small amounts, and diffused over the whole country. There were but few large, chiefly lumber accounts for \$50,000 or \$60,000.

35. Do you consider that the accounts were generally proportionate to means of the parties?—They were, with the exception of one account that was taken up without my knowledge before I became President; I refer to the case of the so called "Brown Bank."

36. Have the funds of the bank been used in the purchase of its own stock?—I believe that stock has been purchased to a small extent, though not directly by the board, or with its sanction. I only know positively the particulars of one case. I refer to the purchase of stock to the extent of several thousand dollars by the Hon. Donald McDonald when the market price was about 80. He bought it in his own name, and gave cheques on the bank for the purchase money, stating to me and Mr. Manning, another director, that he did it to keep the stock up in the interest of the bank. The stock subsequently advanced about 3 per cent, when he said he would keep it, but he afterwards transferred it to Mr. Campbell