

9. What of the "Balances due from other Banks, \$96,269.95"?—This represents the balance due by other Banks to our Bank, and is all available.

10. What information can you give as to the real value of the "Notes and Bills discounted," set down at \$2,422,307.07?—A Committee is now investigating into this. I think that about \$400,000 of them are over due, of which more than half may be considered bad. I will furnish an exact statement of the amount now under protest. The amount under discount has been reduced about \$300,000 since the suspension. The Notes and Bills discounted are in our possession, and are unpledged. My own opinion is that about \$300,000 of this asset may be written off. I think that very little of the current discounts can be considered bad.

11. Are these notes discounted made up of large or of small notes?—Chiefly of small amounts, which had been discounted at the agencies. Our largest account is about \$50,000, with a lumber firm, and we consider it good.

12. To what extent were the Directors indebted to the Bank immediately before its suspension?—All the paper on which the names of Directors appeared was about \$80,000, \$45,000 of which consists of indirect liability as endorsers for others.

13. What proportion of the discounts may be considered of the nature of permanent accommodation, and what temporary?—A very small proportion is for accommodation of a permanent nature, as the cashier has always objected to it.

14. What proportion of your discounts is secured by collaterals?—A large amount is secured by real estate, including part of the over-due paper. I will furnish a statement. The collateral securities have been taken on renewals.

15. Is any part of the paper discounted without endorsers?—Very little indeed.

JOHN MICHIE.

(Sworn before me at Ottawa, in the Committee Room of the Standing Committee of the Commons, on Banking and Commerce, this seventeenth day of June, 1869.

JOHN ROSE, Chairman.)

SATURDAY, 12th June, 1869.

The Committee met.

PRESENT :

Messrs. Morris, Chairman.
Mackenzie,
Abbott,
Holton.

The Chairman mentioned to the Committee that the Hon. Donald McDonald, Vice-President of the Royal Canadian Bank, desired permission to be present during the investigation.

The Committee requested Mr. McDonald to withdraw, in order that they might deliberate, and he having withdrawn accordingly,

After deliberation, the Committee *Resolved*, That having, at the beginning of the inquiry, determined to exclude strangers during the examination of witnesses, the Committee are not in a position to accede to the request of Mr. McDonald, but that he will be afforded an opportunity, when the bill is under consideration, of offering any suggestions that he may desire in regard to it; and that the Committee are desirous of examining him as a witness, if he choose to appear.

Mr. *McDonald* being called in, was informed of the decision of the Committee, and consented to appear as a witness.

Mr. *Michie*, Assistant Cashier, again called in and examined :

Mr. *Michie* produced a Statement of the amount of stock subscribed. (App. B.)

Ques. 16. It appears by the Statement now produced, that about 3,500 shares have been subscribed on which no payments whatever have been made. What explanation can you give with regard to this?—No stockholder has ever been pressed for payment who has not voluntarily paid the calls made upon him. I will procure a list of those who have made no payment on their stock, with the dates of subscription.