

Belfast, who failed during the panic referred to. At the examination in question, Mr. D. Macdonald, a member of the firm, gave the following evidence :—

“ At the time of our suspension in October last, our total accommodation paper had reached £383,000, of which the proportion in our behoof was £359,000. This is exclusive of the accommodation paper current between us and a Canadian house, amounting to £60,000, and which was wholly for their accommodation, with the exception of £11,000. The number of parties from whom we got accommodation grew with the amount of the accommodation received. In 1853, the number of parties granting accommodation was still limited, being confined to seven individuals. In 1854, the parties giving accommodation had increased to 10; in 1855, to 13; in 1856, to 20; and in 1857 to 75. With twenty out of these seventy-five we had business other than for accommodation, but not so with the remaining fifty-five. Some of them we did not know at all. About thirty-two, or thereby, we did not know, unless by their names on the bills, and from the information of those who obtained them who certified them to be respectable parties. This system of procuring names commenced in March of the present year, and was intended to be temporary. At the close of 1856 it was intended there should be a large reduction of accommodation paper from the spring sales of our stock, which was sufficiently large to have affected that reduction if it had found a remunerating market. It was with this view that we opened a house in London, and one in New York, so as to help off the sale of our stock; but trade was dull, and goods did not sell freely. That stock now forms the principal asset of our estate. Had we succeeded in disposing of that stock, it was our intention to have limited our business to a more manageable compass. It was chiefly at the Western Bank that these accommodation bills were discounted. The immediate cause of suspending payments arose out of the investigation which the Western Bank set about making into several of their accounts in September last. Up to that time my firm was in its usual good credit.”

The Canadian firm referred to was that of Ross, Mitchell & Co. of Toronto, which suspended at the same time.

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