

no account there. I told Nelson to go to the City Bank; but Mr. Moat, of that Bank, also declined. I told Nelson he had better go to the Bank of Toronto, where I kept my account. He went, but could not get it there. He wanted me to go with him, but I declined; and he then went to the Quebec Bank, and told me he left the note there and got 200 dollars on it, and that in the meantime inquiries were to be made by Mr. Bethune as to whether more could be advanced. Nelson told me this a day or two after it occurred. He then left for Cleveland, about September 1st. I got a letter from him, stating that banking arrangements were not satisfactory, but he had sent on coal, and would himself arrive on Thursday. Mr. Nelson arrived about that time, and one of the vessels he sent off, the *Bermuda*, arrived about the same time. She had 250 tons, and commenced to discharge in my name. Her freight was 1 dollar 30 cents, and the coal was 4 dollars 70 cents. We were to pay the freight and give him a bill for the difference—that would be 850 dollars for the *Bermuda*. Neither Sanderson nor I paid the freight, but Nelson paid 325 dollars. This would make the amount due on the *Bermuda's* cargo, as you calculate it, 1,175 dollars. The *Peerless* came in about the 7th with 356 tons. Her freight was 1 dollar 35 cents, leaving the nett to Mr. Nelson 3 dollars 35 cents, or, on the whole, 1,267 dollars. The *W. G. Emery* arrived the same day. Her bill of lading, 344 tons; freight, 1 dollar 40 cents; nett, 3 dollars 30 cents on that, or 1,100 dollars 20 cents, for which Nelson ought to have received a bill, but did not. Mr. Sanderson refused to pay the freight because the first cargo was not free. The invoice of that one came through the Bank. When Mr. Sanderson declined to pay the freight, Nelson told us he did not know how to get along. He told me Mr. Bethune objected to any more of the *Bermuda's* coal going into my yard. Mr. Nelson suggested, as a means of relief, that having three cargoes in my own yard, I would not have to use the first cargo for some time, and might get a warehouse receipt from Tinning on it, and have my note done. I got the receipt, and he went to the Bank with it. I told nothing to Sanderson till afterwards. I did not speak to Sanderson before Nelson returned from the Bank. The latter said nothing to me, but handed me the three bills of lading. As far as I was concerned, the thing was completed before Sanderson knew anything about it. The affidavit produced was made by me, and used in the Court of Chancery. (Here the ninth paragraph of the affidavit was read. It set out the purchase of the coal from Nelson, and the giving him a promissory note or bill therefor to the amount of about 1,358 dollars, and stated—"After receiving this note, Nelson informed Sanderson and me that he had endeavoured to discount it at the Quebec Bank, but could not do so; but if we would get for him a warehouse receipt for the cargo in Tinning's Yard, that would enable him to get the note discounted. Sanderson and I being desirous of enabling him to get the note discounted, accordingly procured for him a warehouse receipt for the cargo, and delivered it to him for the purpose aforesaid, and he afterwards informed us that he got the note given by us discounted on the strength of it.")

MR. BLAKE. Is it true that Mr. Sanderson was desirous of enabling Mr. Nelson to get the note discounted; and, with you, procured for him a warehouse receipt?

WITNESS. No; that affidavit was drawn up in that way for an object. It was done in defence.