

Current and call loans .....	15,440,616
Real estate .....	85,849
Bank premises .....	498,372
All other assets .....	195,316

Total .....\$20,619,110

On December 31st, 1907, the affairs of the bank stood as follows:—

**Liabilities.**

Bank's notes outstanding.....	\$ 1,988,585
Deposits .....	11,002,694
Balance due other Canadian banks.....	7,624
Balance due British banks.....	903,855
Balance due United States banks.....	2,058,836
Balance due Provincial Government.....	212,812

Total .....\$16,174,406

**Assets.**

Specie on hand.....	\$ 114,882
Dominion notes on hand.....	549,213
Deposit with Dominion Government.....	120,600
Notes and checks against other banks in Canada.....	571,260
Balance due from other banks in Canada.....	226,077
Stocks and bonds owned.....	2,271,734
Loans .....	14,476,268
Real estate .....	130,232
Bank premises .....	510,535
All other assets.....	248,537

Total .....\$19,218,738

An examination of these figures will fail to show where other banks gave the Sovereign Bank any assistance whatever; on the contrary, they show that the other banks actually reduced their accommodation during these three months. It is true that there was a withdrawal of deposits to the extent of \$1,372,316, but, on the other hand, during the same time there were receipts from the calling in of loans and selling of securities of \$1,079,875. In the natural course of events a heavy withdrawal of deposits would mean an increase in the note circulation of the bank, yet we find that in this case there was a marked decrease. During the same three months the deposits of the Bank of Montreal fell off to the extent of \$12,953,454, yet the note circulation of this bank did not decrease. On the contrary, there was a decided increase. The same was also true of the Imperial Bank, the Bank of Commerce and a number of others. The only case in which there could be a decrease in note circulation under heavy withdrawals of deposits would be where the public has some suspicion of the bank's weakness and demand repayment of their deposits in legal tender—that is, specie and Dominion notes. But the public knew nothing of the Sovereign Bank's condition until the morning after it was swallowed up by a few of the larger banks, and the writer has yet to learn of one depositor who requested payment in legal tender. On the other hand, it would be an easy matter for the banks, with their monopolistic control, to quietly discriminate against the notes of this bank, so that it would be impossible for it to keep them in circulation. Furthermore, it would be an easy matter for these larger banks to deprive any one or more banks of its legal tender by beginning to hoard specie and Dominion notes when there was so small a supply of this in the country as there was last September after the heavy exportation of coin and bullion that had been going on for the two or three months just previous. And this is exactly what happened. One large bank alone increased its holdings of specie by over \$600,000 and its holdings of Dominion notes by over \$800,000 during these three months.

**The Part  
Other Banks  
Had in This  
Failure**