

Q. If I recall it correctly, Mr. Tompkins mentioned the Monarch Bank.—
A. That was incorporated and a certain number of shares subscribed for which were insufficient to get its certificate—to commence to operate—and it had to be wound up.

Q. It actually never commenced business?—A. It never commenced business.

Q. No. Then there is the Sovereign. Could you give us this in chronological order?—A. Then there was the Farmers' Bank.

Q. The Farmers' Bank?—A. Yes.

Q. What year did that fall?—A. Well, you have got me. 1910, was it?

Mr. TOMPKINS: In 1910.

The WITNESS: In 1910.

By Mr. Graham:

Q. Yes?—A. That is the Farmers' Bank.

Q. Yes?—A. Then there is the Sovereign.

Mr. TOMPKINS: The Sovereign situation came about in 1908. If I may interject, Mr. Graham, if you will refer to page 112 of the proceedings of the committee you will see that the note with reference to the Sovereign Bank of Canada explains the situation rather fully. I do not know whether it is worth while to read it at this time.

The CHAIRMAN: We do not need to read it, Mr. Graham.

Mr. GRAHAM: I beg your pardon, Mr. Chairman?

The CHAIRMAN: We do not need to read it.

Mr. GRAHAM: No, except for this: I should like the chronological story on the record. Likely the average reader will not refer to that.

The CHAIRMAN: Well, it is on the record already.

Mr. GRAHAM: Yes. But I mean they would not refer to that.

Mr. TOMPKINS: The Sovereign Bank eventually went into liquidation. Its affairs were placed in liquidation in 1914.

Mr. GRAHAM: That is the Sovereign?

Mr. TOMPKINS: That is the Sovereign.

Mr. GRAHAM: Yes.

Mr. TOMPKINS: But that was under rather exceptional circumstances; because in 1908, when its troubles developed, as explained in the note I mentioned, certain other banks took over its branches and assumed its liabilities to the depositors. But as I say, the footnote sets out the position fully.

By Mr. Graham:

Q. I am trying to get your experience. It was in 1914 that you came into the Sovereign picture?—A. No. I came in before that. In 1908 it got into trouble, and I think somewhere around 1910 or 1911 or at a time after the assisting banks, as they were called, had taken over its branches and liabilities, the Sovereign Bank remained a debtor to the other banks to the extent of, I should say, \$8,000,000, \$9,000,000 or perhaps \$10,000,000, and the Sovereign Bank still retained ownership of a railway and a lot of assets of various kinds—slow assets. So they formed a corporation called "International Assets", and they turned those remaining assets which the bank had retained over to International Assets and it issued bonds for the obligations still remaining owing to the other banks. I was a trustee under that bond mortgage, and had an interest in watching the realization and assisting in the realization of those assets until they were exhausted. In the meantime International Assets also performed another function. Many stockholders of the Sovereign Bank subscribed for shares in International Assets and the monies they paid into International Assets thereon