

I am satisfied that up to 1929 no one, either in Canada or elsewhere, conceived the possibility of so sudden and severe a collapse in markets and prices as has since taken place. I am sure that bankers, skeptical as they were of the New Era theory of perpetual prosperity, did not dream of any such world catastrophe.

I would ask you to weigh these facts before seeking to measure the responsibility for and apportion the blame under this section of your inquiry. It is easy to look back now with the experience we have gained in the past five years and see where mistakes were made. It is easy also to say that this or that claim or statement has proved so grossly wrong that it could not have been made through a mere error in judgment but must have been presented deliberately with intent to deceive. To make such a charge is in the great majority of cases to ignore the startling changes which have since occurred in trade the world over.

Some industrial flotations there may have been for which too rosy a picture was painted in order to capitalize the popular speculative fever but these were few and far between. In any such cases I am convinced that no bank knowingly connived to make an issue a success

I was asked to report the amount in which the bank had been authorized to advance and purchase of which I was a Director or officer were indicated to the bank of Canada on certain dates. There had not been sufficient time for the bank to compile the necessary information for the various months mentioned, consequently the data for 1928 only was given. The correct information has since been obtained, and the reply to the question is therefore as follows:—

December 31, 1928	—	\$3,000,000
December 31, 1927	—	4,000,000
December 31, 1926	—	4,401,452
December 31, 1925	—	9,500,000
December 31, 1924	—	3,000,000

In every case loans were abundantly secured. On the same date the amount of which I was a Director had on deposit with the Royal Bank of Canada the following amounts:—

December 31, 1928	—	\$14,077,388
December 31, 1927	—	15,920,115
December 31, 1926	—	14,723,862
December 31, 1925	—	15,679,422
December 31, 1924	—	28,000,000

Advances as at December 31, 1927, did not include our share of the loan to the Canadian Pacific Railway Company which, as you know, is guaranteed by the Dominion of Canada.

Yours truly,

H. S. Hall.