

Writing in the American Magazine, Calvin Coolidge says that "Those who are engaged in hoarding currency are probably no safer as a class than those who keep their funds in the banks. They are injuring themselves and everybody else. They are in the position of not taking their part of the risks of life and are trying to make themselves safe by letting others carry their risks for them."

Considering his reputation for singular ability to conserve his resources in the best traditional New England manner, the judgment is impressive, particularly his conviction that hoarders are injuring not only themselves but everybody else. The implication is that they are carried to extremes of selfishness by fear. Neither selfishness nor fear is an admirable quality. When manifested in ways that imply lack of faith in the country and its institutions, they carry an additional burden of unpleasantness.

There is, in fact, no excuse for hoarding that does not show a lack of faith. Lack of faith breeds lack of faith. How can anyone expect others to repose faith in him, unless he reposes faith in his fellow-men? How can anyone expect others not to fear him, unless he shows no fear of them? How can anyone be antagonistic toward his fellowmen, or his community, without a similar reaction? The hoarders are a personification of wear, of cowardice, of unwarranted distrust.

The current situation is complicated by the shortage of currency. If the hidden money is brought out and converted into investments which, even assuming the most pessimistic view of current conditions, are regarded as sound, the whole credit structure will be greatly helped. In fact, it may be asserted with considerable confidence that hoarders are responsible for most of the uneasiness. Unfortunately the government can not draft this money to meet the emergency, as it can draft men in time of war. It has to depend on voluntary services of patriotism. And it will not resort to currency inflation. The country's basic values remain relatively unchanged, its resources are adequate; it lacks only the confidence which, to a large extent, is shaken by the fears of hoarders.

Speakers at the bank depositors' meeting Friday evening touched upon the evil effects of hoarding. Dr. Kinley told of a survey, made on request of the federal government, which showed that from 80 to 85 percent of the nation's business is done on credit—but that there must be a cash circulation of 15 to 20 percent of the total as a foundation for this vast amount of credit. When the hard cash circulation is reduced by hoarders, the effect on credit is blighting. It stops business and paralyzes industry. Sooner or later the reaction strikes everyone, the hoarder included. The hoarder's money value is decreased, and the security he thought he had erected around himself is taken away. Instead of being in a dominant position, he is in a position as insecure as those about him. He is suffering the injury that he has caused others.

The hard money must be in circulation. It must be where it is available for those who have immediate need of it for normal transactions. Our banks always have had all the cash money available that was needed for normal business transactions. No one with a definite and sound proposition failed to get the credit he needed, because there was cash to back up the credit. Then the hysteria and fear, that was to do so much damage, swept over the community, and the cash reserves were withdrawn from the banks, to be hoarded.

This hoarded money is of no benefit to those hoarding it, because it is neither food nor raiment. The fact that it is hoarded, and that it reduces the credit structure of the community, is working injury on the people of the community, and eventually, if not already, the reaction is being felt by the hoarders.

The sooner this money is put back into the banks, where it can be had for circulation, the sooner will be the recovery, and the less severe will be the after effects of the recent hysteria. Self-preservation demands that money withdrawn from the banks be returned, that normal spending be continued, and that there be unity in alleviating the effects of unwise actions of the past.