

There is no need to expatiate upon this, for it is manifested everywhere. In characteristic American fashion our misfortunes are treated in a jesting manner. Ingenuity is sharpened in the endeavor to show that we can get along for a time without the usual monetary and banking facilities. But, along with this light-heartedness and valiant bearing, there goes, we may be sure, an underlying purpose to demand that the responsible authorities—President and Congress, Governor and Legislature—make sure that nothing of the same kind happens to us again.

Intelligent and comprehensive banking reform is the need of the hour, and there is every sign that public opinion would rise in support of laws proposed for that end. In that sense the President is expected to make urgent recommendations to the special session of the new Congress tomorrow. The prospect is that he will get a more sympathetic hearing and response than President HOOVER did from the previous Congress, and that the outlook for desirable legislation to make American banks somewhere near as stable and unbreakable as the Canadian banks have shown themselves to be is brighter than for a long time. This must count for a great deal in the minds of those who are prepared to give sound reasons for being optimistic. Certainly, if we do not pluck such a soul of good out of things evil, the fault will be our own, and we shall deserve the worse things that may befall us.

REASONS FOR HOPEFULNESS

President ROOSEVELT declared in his frank and bold Inaugural Address that only a "foolish optimism" could overlook the "dark realities" of the country's present plight. But there is a kind of settled and obstinate pessimism which is even more foolish. Fortunately, it is not paralyzing the activities or dampening the hopes of the great majority of Americans at this moment. When they look about for the brighter aspects they see and signalize such facts as these:

(1) In their new President the people believe that they have a strong tower of hope at Washington. He has already added to the reputation which he took with him into the White House. He has acted with promptitude, decision and vigor. Even the banking moratorium which he proclaimed, with its incidental difficulties and hardships, came from him with a ring of confidence. Instead of alarming the country, it seemed to cheer it up. From his fresh mind and resolute utterance the people accept with great calm and fine spirit what would have seriously upset them if it had been set forth by a dying Administration. And from speech Mr. ROOSEVELT passed quickly to action. The orders which have come successively from Washington, relaxing at various points the stringency of the moratorium, have quickened the conviction that the end of the banking emergency is not far away. In the midst of our bad luck it is strengthening to the public morale to feel that it is good luck to have such a President just now.

(2) Here in New York we are doubly fortunate in having Governor LEHMAN. His special training in finance, close knowledge of banking, long experience with business, seem to have been a sort of unconscious preparation for his present official duties. His coming to the Governorship at a time like this is a vast reassurance to the citizens of this State. They know that his fidelity to the work thrust upon him, his readiness to consult with both financial and legislative authorities, together with the resourcefulness and resilience of his personality, will do all that is humanly possible to pull us out of our straits.

(3) The great majority of our banks are solvent. This does not mean that they are able at once to pay off all their depositors. But by the customary banking tests they are in a strong position, provided that confidence is restored and that the ordinary course of business is resumed. Yesterday's Wall Street Journal emphatically asserted that the country has all the "cash currency" it needs, and that the only thing requisite is to make "check currency" fully available again. There really is, according to this authority, an "ample supply" of "deposits in perfectly solvent banks to do all the country's business," provided the resources are "mobilized for the purpose."

(4) The excellent temper in which all classes of the population have acquiesced in the temporary inconveniences of the moratorium amounts really to a national asset.