

RETURNING CONFIDENCE.

For the third successive week the report of the Federal Reserve System, published yesterday, made a distinctly favorable showing. Gold reserves increased during the week by \$44,000,000, bringing the total gain since March 8 to \$553,000,000. What this means to the resources of the Reserve System can best be understood by noting that at their present figure the total gold holdings of the twelve district banks are back within 1 per cent of their maximum thus far in 1933. They are within 8 per cent of the highest figure on record, and more than \$200,000,000 larger than they were at any time during the prosperous year 1929.

Still more encouraging is the fact that currency has continued to come out of hiding and to return to the Reserve System. During the week ended March 29 money "in circulation" decreased by \$255,000,000. This brings the total decline since March 8 to no less than \$1,185,000,000. The amount of money outside of the Reserve Banks is still abnormally large. But it is evidence of the progress made since the "holiday" that 70.4 per cent of the funds drained out of the Reserve System so rapidly during the three panicky weeks before March 8 have now returned to it during the three weeks subsequent to that date.

The figures which were published yesterday are as real a reward as the Roosevelt Administration could desire at the end of its first month in office. They measure what it has done in that short period to re-establish confidence both in the banks and behind the banks in the credit of the National Government.