

Calvin Coolidge Says:

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NORTHAMPTON, Mass., June 3.—The subscription several times over of the government loan of eight hundred million dollars indicates a very large amount of idle capital in the country. That is a good foundation but not enough. Money is beneficial mostly in proportion to its profitable use. Evidently capital is very timid. Faith and courage are also needed.

Two years ago the rate of interest on short time Treasury notes was five and one-eighth. Now for a long term bond the rate is three and one-eighth. Many who were inclined to scoff at nine per cent now bid against each other for three per cent and safety. If they err in judgment it is on the side of caution. While that frame of mind exists there is little danger of inflation but only a negative sign of reviving trade.

No doubt the government should borrow as cheaply as possible. But if fair wages and prices are to be maintained a fair price for money should be paid. The savings of the people in banks and insurance companies cannot make an adequate return with interest rates too low. Fair earnings for savings are an important factor in the purchasing power of the people.

CALVIN COOLIDGE