

# Nixon Optimistic --But Stocks Fall

Times-Post Service

## Washington

President Nixon reassured the New York Stock Exchange chairman yesterday of his confidence in an economic upturn later in the year.

But stocks dived to another seven-year low and Democrats escalated their attacks on Administration economic policy.

Senate majority leader Mike Mansfield labeled the

business slowdown a "recession" and urged standby wage, price and profit controls as well as larger down payments on installment sales.

Chairman Wright Patman (Dem-Tex.) asked Mr. Nixon to confer with his House Banking and Currency Committee on "the economic crisis facing the Nation."

Lawrence F. O'Brien,  
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Big board stocks have given up about 35 per cent of their listed value during the long decline since late in 1968.

Underlying yesterday's sharp selloff was the gloom pervading Wall Street the past few weeks over the course of the Indochina war, unabated inflation, soaring interest rates, slackening business activity and divided public opinion.

### CONFIDENCE

Shortly after 1:30 p.m. the first reports of Mr. Nixon's 40-minute conference with Bernard Lasker, chairman of the NYSE, hit the tickers. Thereafter the Dow headed downward again, reaching a loss of 18.49 by 2:30 p.m. Then it revived partially to close down 11.30.

White House Press Secre-

tary Ronald L. Ziegler said the President told Lasker, an old friend, he is confident that the economy will "turn up in the second half of the year."

The Administration's policy of budget restraint will allow "a continuing expansionist monetary policy by the Federal Reserve," Ziegler quoted Mr. Nixon as saying.

Lasker had requested the meeting to discuss the economic situation and particularly the stock market during a White House visit last month, Ziegler said. This was ostensible refutation of speculation that the consultation was hastily set up in reaction to steep stock market losses and deteriorating economic news.

Paul W. McCracken, chairman of the Council of Eco-

nomics Advisers and presidential assistant Peter M. Flanigan sat in on the meeting.

### PURCHASE

Ziegler declined to answer a question as to whether Mr. Nixon repeated his counsel of April 28 when after a similar meeting with Wall Street officials he said, "Frankly, if I had any money I'd be buying stocks right now."

Nor would Ziegler respond when asked to estimate how much the President would have lost on such an investment.

(Had Mr. Nixon invested half his \$200,000 salary across the board in the 30 Dow - Jones industrials at the close of the market on the day of his remark, his paper loss would be a little more than \$8000 as of last

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chairman of the Democratic National Committee, questioned the President's ability to lead the Nation and the executive branch and was particularly critical of what he called Nixonomics.

"Nixonomics means that all the things that should go up — the stock market, corporate profits, real spendable income, productivity—go down, and all the things that should go down — unemployment, prices, interest rates — go up," O'Brien told the Women's National Democratic Club.

With volume swelling to nearly 17 million shares — a bearish portent in a declining market — the market dropped 11.30 to 665.25 on the Dow-Jones industrial average.

night.)

In New York, the National Industrial Conference Board reported that the country's 1000 largest manufacturers cut appropriations for new plants and equipment by 15 per cent in the January-March period, the second quarterly drop in a row.

The Labor Department reported that higher taxes and prices more than offset wage gains in April, resulting in a further slippage of purchasing power based on weekly earnings of private non-farm payroll workers.

On the positive side, the Commerce Department said that new orders for durable goods — an indicator of future economic activity — rose 1 per cent in April after a 3.5 per cent decline in March.