

DOW RISES 16.29 AND BREAKS 700

Stocks Are Fueled by a White House Statement on Taxes and Register Advance for Third Day in Row

By LEONARD SLOANE

The stock market continued to steam full speed ahead yesterday, fueled by a White House statement that stopped early profit-taking and pushed the averages to higher ground.

Following a wire-service report shortly before 2 P.M. quoting "an authoritative Administration official" about President Nixon's intention of proposing no further higher taxes this year even if the Federal deficit reaches \$5-billion, the market moved up sharply from its morning lows.

At 2, the Dow Jones industrial average was up 7.05 points, at 3 P.M., it was 14.44 points higher and a half hour later, it was 16.29 points greater than Thursday's close. This surge—for the third consecutive day—pushed the average to a level of 700.44.

In other days, it would not have been big news if the Dow broke 700. But after the 18-month bear market — in which the average plummeted about 35 per cent from almost 1,000 to Tuesday's low of 631.16 — yesterday's activity was warmly welcomed on Wall Street.

Another manifestation of the strong upsurge during the day was the increase of 9.30 points in the New York Times combined average of 50 stocks to 397.42.

Trading Strong but Off

Volume on a day that many investors celebrated as the Memorial Day holiday was considered quite strong, even though it was down from Thursday's level. A total of 14.63 million shares changed hands yesterday for the biggest Friday turnover of the year, but off from 18.81 million shares the preceding day.

Security analysts noted that

another reason for the upsurge in prices may have been apparent satisfaction by the industrial and financial community with the statements made by the President and Federal Reserve Charman Arthur F. Burns at a dinner with businessmen on Wednesday. Reports emanated from this meeting that Mr. Nixon repeated his opposition to mandatory wage and price controls, and Mr. Burns gave assurances that there would be sufficient credit

Market Summary

Friday, May 29, 1970		
N.Y. Times Industrials ..	699.58	+18.30
N.Y. Times Railroads	95.26	+ 0.30
N.Y. Times Combined	397.42	+ 9.30
N.Y.S.E. Composite	41.78	+1.09
Standard & Poor's Comp. .	76.55	+ 1.94
Dow-Jones Industrials ..	700.44	+16.29

NEW YORK STOCK EXCHANGE

(Volume 14,630,000 shares)

	Friday	Thursday
Total Issues	1,605	1,627
Advances	1,118	1,211
Declines	297	271
Unchanged	190	145
New Highs	8	3
New Lows	57	77

ODD-Lot Transactions

Thursday, May 28, 1970		
Purchase	Short Sales	Total Sales
1,036,917	15,825	376,318

available to keep the economy on an upward tilt.

During the last three days, the Dow average of 30 blue chip stocks on the New York Stock Exchange picked up almost 70 points — regaining about two-thirds of the loss registered in May and marking a net gain for the week of more than 38 points. Advances topped declines by a ratio of almost three-to-one, with 57 stocks reaching new 1970 highs and only 8 hitting new lows.

Until yesterday's rally, many members of the financial community had been calling the rise technical in nature. Now, however, a feeling is growing that

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the actions propelling stock prices higher have fundamental origins as well.

"Something fundamental has happened here," said Charles M. Lewis, a partner in Treves & Co. "Since the President called the meeting of business leaders and told them of his plans for the future, I think that investors have become more confident about the economy."

Thirteen of the 15 most active issues yesterday closed with gains, including three with advances of four points or more. One of these big gainers and the most active stock on the list was Detroit Steel, which rose 4% to 16% on 359,100 shares.

On Thursday, Cleveland-Cliffs Iron and the Cyclops Corporation announced a plan for Cyclops to obtain the operating assets and liabilities of Detroit Steel, with Cleveland-Cliffs getting the rest. Cleveland-Cliffs gained 4% to 44%, while Cyclops edged up 1/8 to 26 5/8.

As the stocks on the Big Board forged ahead yesterday, the increases were broad-based and included both the investment-grade and the glamor issues. Among the group which there were gains points or more were chemicals, cosm

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