

BUSINESS AND FINANCE

Nixon's Talk Disappoints Traders in Bond Markets

Prices Decline Slightly After Telecast Despite President's Assurance That Stability Is Goal of His Strategy

By JOHN HALLAN

The credit markets listened to President Nixon's speech on the economy yesterday, and they found it unsurprising and disappointing.

Bond prices declined slightly following the telecast, despite Mr. Nixon's assurance that the Government's economic strategy would move the country more quickly toward "reasonable price stability."

The ironic aspect of the President's talk—which stated that "interest rates are too high"—was that it appeared to push interest rates modestly higher yesterday.

"I was disappointed with that speech," one investment banker acknowledged after the close of the bond market. "He didn't have anything to say, really."

New Issue Sales Slow

This attitude seemed the dominant reaction to the address throughout the money and capital markets. Tax-exempt bond dealers reported that sales of new issues slowed after Mr. Nixon's speech. Treasury securities prices, which opened higher, closed lower. Corporate bonds relinquished part of their gains.

The bond market had ad-

vanced sharply Tuesday, and its climb continued early yesterday in anticipation of the President's speech. A substantial portion of the bond market community hoped some more dramatic steps would be announced to bring inflation under control more quickly. Mr. Nixon's announcement that he would appoint a National Commission on Productivity apparently did not satisfy fixed-income securities dealers as a bold enough measure.

Heavy Volume Marketed

The most charitable reaction to the address was one bond dealer's statement that it was "not dynamic." The most frequently voiced complaint about the talk was that it contained "nothing new."

As the credit markets assessed Mr. Nixon's remarks, investment bankers continued to market this week's particularly heavy volume of new notes and bonds.

In the corporate sector, the Consumers Power Company awarded \$60-million of six-year bonds to a syndicate managed by Morgan Stanley that made

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