BONDS ALSO SOAR

AUG 1 7 1971 Rise for Dow Average of 30 Key Issues Largest Ever

NYTimes By JOHN J. ABELE

The nation's financial markets responded enthusiastically yesterday to President Nixon's new economic programs.

On the New York Stock Exchange, the nation's leading stock market, volume climbed to a record 31.72 million shares and the Dow-Jones industrial average, which measures the performaverage, ance of stocks of 30 of the largest companies, registered a record one-day advance of 32.93 points, to a closing level of 888.95.

Bond prices also rose sharply on heavy volume, sending interest rates tumbling. Traders said the rally reflected the fight against inflation implicit in the President's wage-price freeze.

Prices of commodity futures also gained, although markets in some commodities were closed, pending further study of the impact of new price and import policies.

Most foreign-exchange markets were closed, taking time to assess the impact of the President's program. In trading here, the values of most foreign currencies increased in relation to the dollar, in light trading.

Dow Rises 32.93

The increase on the New York Exchange for the Dow average, the most closely watched market barometer, amounted to 3.8 per cent. Many individual issues did far better in terms of percentage

The stock exchange's composite index for all listed common stocks rose 1.80 points, to 54.68. The average increase for a share of common stock, the exchange said, was \$1.37.

Demand for stocks was so great that some leading issues, including General Motors and Ford, did not open for trading because of the heavy preponderance of buy orders over sell orders. That is, investors wanted to buy, and no one could be found who wanted to sell.

Wall Street analysts said

Continued on Page 17, Column 5

Continued From Page 1, Col. 5 the rally was based on hopes for improvements in the donestic economy that would result from the President's program and on a psychological lift from the stronger tone taken by the President in seeking to increase economic activity, curb inflation and reduce unemployment.

One large brokerage house commented: "The worries that have depressed bond and stock prices in recent months have been chiefly high interest rates and inflation, the slow pace of economic recovery and the deteriorating dollar and balance of U. Strade.

"The President's proposals attempt to deal with all these problems. Whether or not all become effective or even approved by Congress is less important from a stock-market standpoint than the positive psychological lift the proposals impart."

Robert H. Parks, director of economic research for du Pont, Glore Forgan, Inc., said the thought the stock market "could move into new high croud within months" and offered these reasons for what he termed the new Nix-on bull market:

The tax relief proposals, in-dluding the investment tax relief proposals, in-detection of reduced income and sexcise taxes should enhance confidence and spending.

The wage-price freeze-should moderate inflation and buoy investor spirits.

Ilmcreased taxes on imports should bolster the trade position of dollar convertibility into gold "rules out any general run on gold."

In the bond market, where the ebb and flow of prices reflects anticipation of the effect of inflation on return from long-term securities with fixed interest rates, prices surged upserson of strong leadership. The response in the for a \$1,000 bond), an unsually large move. Corporate londs also made substantial dollar, the economy and in-glains, with some up as much as 3½ points.

In the short-term market, interest rates on Treasury bills dropped sharply. Three-month bills were auctioned yesterday at an average discount rate of 4.92 per cent, down from 5.37 per cent last week. Six-month-bill rates dropped to 5.20 per cent from 5.77 per cent.

Trading in gold and silver in world markets was suspended in the wake of the President's decision that the United States no longer would pay or sell gold for settlement of international transactions.

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tional transactions.

Handy & Harman, a New York fabricator of metals, which normally quote gold and silver prices, said it was discontinuing its daily, 1 P.M. quotations because "the wage-price freeze has created uncertainties as to the future availability of gold and silver for domestic industrial needs within the price limitations imposed by the freeze."

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posed by the freeze."

Foreign-exchange traders in New York said talk was heavy but business was light; largely because currency markets in Europe were closed.

The traders reported "good volume," however, in the Canadian dollar, which closed at 99.23 cents, up from 98.93 cents on Friday. The Japanese yen closed at 0.2875½ cents, well