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Stocks Gain as Nixon Future Dimms

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The stock market rode the roller coaster of events in Washington yesterday as investors focused their attention on President Nixon's survival in office.

The prospect of an early presidential resignation and an end to the nation's protracted Watergate trauma shot the Dow Jones industrial average up nearly 26 points in the first half hour of trading on the New York Stock Exchange.

But stocks gave up half of that gain after President Nixon told a mid-day cabinet meeting that he would not leave office voluntarily.

The Dow Jones average of 30 industrials ended the day up 13.38 points at 773.78. Volume totaled a brisk 15.77 million shares, up from the 11.23 million shares traded the day before. Six million shares changed hands in the first hour yesterday but trading tapered off after that.

The advance, on top of a 7.82-point gain on Monday, was broad-based with nearly three times as many issues rising as declining. The ratio had been more than 12 to 1 early in the day.

Analysts said all the market activity centered around the President's fortunes with no other news item of any significance having an impact on trading.

Reports that President Nixon's position with his previously strongest supporters is quickly eroding "was considered bullish primarily because it indicated to investors that we would get a resolution of the impeachment question earlier than had been expected," Buck Kaiser, director of research for Paine, Webber, Jackson & Curtis, said.

He added that there has been a growing fear recently among institutional investors that "impeachment would drag on until Congress reconvened in January," further preoccupying the country.



Photos by Charles Del Vecchio—The Washington Post

"The most bullish thing that could happen is a quick impeachment and speedy trial, which would lead to a clear-cut resolution one way or the other," Kaiser said.

Lee Pollack, a senior vice president of Hayden Stone, Inc., said "the market is telling us what would happen if President Nixon should resign." He predicted a rally of 50 to 100 points in the event of a resignation.

Some analysts, however, doubted the stock market could sustain a rally for very long without some fundamental improvement in overall economic conditions, particularly a drop in interest rates and the rate of inflation.

Standard & Poor's 500-stock index rose 1.23 to 80.52. The price of an average share of stock gained 42 cents as the NYSE composite index gained 0.64 to 42.17.

All major stock groups advanced with oils attracting particular interest. Glamour and blue-chip issues, many of them recently depressed, also were the focus of trading attention.

BUSINESS PICKS UP—Renewed stock market interest was evident yesterday at downtown brokerage offices, including Ferris & Co., Inc., upper left, which had one of the "busiest days in a long time"; Merrill Lynch,

Polaroid, the day's most active stock, dropped $1\frac{1}{8}$ to 27. McDonald's gained $1\frac{1}{8}$ to $42\frac{1}{2}$, after a rise of $2\frac{1}{8}$ points the previous day. The company has recently reported favorable earnings for the second quarter. Eastman Kodak was up $2\frac{1}{4}$ to $89\frac{1}{8}$; Xerox rose $1\frac{3}{8}$ to $95\frac{1}{4}$; and Du Pont gained 3 to $153\frac{1}{2}$.

Williams Cos. gained $1\frac{1}{8}$ to $52\frac{1}{4}$. The company reported a second-quarter net of \$2.17 per share, up from \$1.54 for the 1973 quarter.

Detroit Edison, actively traded, rose $\frac{1}{8}$ to $10\frac{1}{8}$. Among oils, Halliburton rose $2\frac{3}{8}$, Schlumberger and Getty were each up $1\frac{1}{8}$ and Atlantic Richfield gained $1\frac{1}{8}$.

Pierce, Fenner & Smith, Inc., below left, where investors lined up for computer readouts on their issues; and at Dean Witter & Co., where a passerby watched the Dow Jones average at 11:30 a.m., before a retreat.

Trading on the American Stock Exchange was a sluggish 1.17 million shares, up from 1.15 million Monday, with the average price of an Amex common share up 9 cents, and the Amex market value index up 0.75 to 77.69.

Texas International was the most actively traded Amex stock, down 1 point to $4\frac{7}{8}$ on a volume of 97,000 shares.

The NASDAQ composite index for the over-the-counter market closed at 70.53, up 0.86, with sales of 4.53 million shares, up from 3.17 million Monday.

Among the most active OTC stocks, Rank Organization A ADR stayed unchanged at $3\frac{3}{4}$,

Local brokers say market rise based on hopes. Page D4