

Dow Climbs 13.38 On News on Nixon

Early Surge Pared Following Report of His Decision

By ALEXANDER R. HAMMER

Stock prices scored spectacular gains in early trading yesterday, but many of the advances were trimmed later in the session in heavy trading as speculation that President Nixon may soon resign dissipated.

Prices on the New York Stock Exchange opened sharply higher, and by 10:30 A.M. the Dow-Jones industrial average was up 25.82 points at 786.22. At this point, gains outnumbered declines almost 10 to 1.

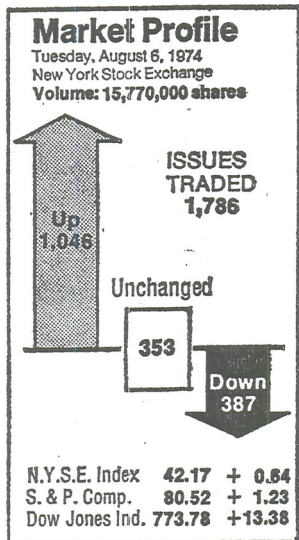
The early sharp advance resulted from traders' and investors' expectations that President Nixon would step down amid increasing calls for his resignation by Congressional leaders following his disclosure late Monday of new information on his involvement in the Watergate coverup.

At the conclusion of trading, the widely followed Dow had lost about one-half of its earlier gains and finished ahead 13.38 at 773.78. It was the largest advance in the average since July 12, when the Dow soared 27.61 points.

Quotations began to retreat shortly before noon when Administration officials said that the President had said at a Cabinet meeting that he would not resign.

At the final bell, advances outscored declines by almost a 3-to-1 margin, with 1,046 issues up and 387 down. A total of 68 issues posted new 1974 lows, while 9 stocks made new highs.

Brokers noted that the rally



was guoyed by bargain-hunters and by considerable short-covering, or the repurchase of borrowed shares sold previously in expectation of price declines.

Turnover on the exchange expanded to 15.77 million shares from 11.23 million shares the day before. Yesterday's volume was the largest since June 7, when 19.02 million shares changed hands.

The broad buying surge on the exchange started before the opening of the market yesterday and delayed the opening of many issues because of an imbalance of orders. Some of the issues with delayed openings included J. C. Penney, International Business Machines, Dow Chemical, Sears, Roebuck, Coca Cola and Xerox.

A wide range of stocks in the first-half hour showed gains of 2 to 5 points. The biggest gainers were the blue chips and glamour stocks.

In the first our, 6.1 million shares were traded, or more

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than one-third of the total volume traded yesterday.

Brokers pointed out that investors' view favorably any progress toward resolving the impeachment situation and establishing a more stable administration in Washington.

One broker said that more and more people believe that as long as the impeachment situation drags along, the "economic problems plaguing the economy will be neglected in Washington."

Among the blue chip and glamour stocks that advanced yesterday were: International Business Machines climbed 4 1/2 to 208 3/4; DuPont 3 to 153 1/2;

Burroughs 2 1/4 to 90 7/8; Eastman-Kodak 2 1/4 to 89 1/8; Xerox 1 3/8 to 95 1/4; Dow Chemical 2 5/8 to 64 3/4; Caterpillar Tractor 2 3/4 to 55 1/2; American Telephone & Telegraph 1 to 43 1/2; Digital Equipment 2 1/2 to 92 3/8 and McDonald's 1 7/8 to 42 1/2.

The majority of oil issues made gains. Atlantic-Richfield added 1 1/2 to 87 3/4; Exxon 7/8 to 77; Standard Oil of Ohio 2 to 45; Getty 1 5/8 to 102 3/4; Superior Oil 1 to 160 and Standard Oil of Indiana 1 1/2 to 85.

Reflecting Upswing

Reflecting the market's upswing, of the 15 most actively traded issues rose, while 4 fell. The most active stock was Polaroid, which dipped 1 1/8 to 27 after trading earlier at 29 7/8, its high for the session. Turnover in the issue amounted to 181,400 shares.

Williams Companies tacked on 1 5/8 to 52 1/4. The company announced that its second-quarter net climbed to \$2.17

a share from \$1.54 a share the year before.

Although July car sales of automotive producers declined 17.8 per cent in July from the same month last year, their stocks rose yesterday. Ford added 5/8 to 45 5/8; Chrysler 1/2 to 15 and General Motors 1/8 to 44 3/4. On Monday, Chrysler announced it would pay its usual 85-cent quarterly dividend, despite a decline of nearly 62 per cent in profits in the second quarter.

Most of the drug issues, which had been under recent pressure, advanced. Upjohn was 2 3/4 to 73 3/4; Merck 2 1/8 to 67 1/2; Bristol-Myers 1 3/8 to 45 7/8 and Johnson & Johnson 1 1/2 to 91 3/8.

Resisting the upward trend, Texas Instruments lost 1 1/2 to 83 3/4 after trading as high as 90 3/8 early in the session; Revco which fell 8 points on Monday, lost 1 3/8 to 15; Winn-Dixie fell 2 to 33; Cabot, Cabot & Forbes Land Trust 1 3/4 to 10 3/8 and Kraftco 7/8 to 36 3/8.

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