

In Margin Requirements Most Brokers Welcome Cut

By DARDEN CHAMBLISS
Of the Associated Press

NEW YORK — Changing the minimum down payment on stocks may not in itself have much permanent effect on the stock market, but it could affect attitudes in a very beneficial way.

That was the reaction of many people on Wall Street to the announcement Monday by the Federal Reserve Board that effective Tuesday, margin requirements are reduced from 70 to 50 per cent.

That means that those who want to buy on credit now need put down only one half of the full purchase price on initial purchases of listed stocks, with their brokers carrying the rest.

The reduction is the first since margins were cut from 90 per cent in July 1960.

Many analysts commented that historically, changes in margin requirements have had little long-term effect on market direction.

But Gerald M. Loeb, partner in E. F. Hutton and Co., said this reduction could be different.

"Its beneficial effect on stock prices should be greater and quicker than past experience suggests," he said.

The action, he said, may mean the board felt "that optimism has moved below normal into the realm of over-optimism."

Contrary Opinion
A contrary opinion was expressed by Sidney B. Lurie of Josephthal and Co., who said, "It doesn't mean a thing."

Lester Wytznier of Bache and Co. said, "Business is absolutely in a downturn and that is not going to be changed by a margin reduction."

With margin requirements at the high levels of recent years, relatively few buyers have availed themselves of these credit provisions through brokers. The vast majority have bought their stocks outright.

The New York Stock Exchange said that at the end of May, margin credit outstanding was about \$5.4 billion, compared with the total value of listed stocks of \$326.7 billion. In 1959 such credit was about \$13.5 billion when the over-all stock list totaled about \$78 billion.

Psychological Effects
Psychological effects of the margin change were cited by many analysts as more important than its specific influence on credit purchases.

"If it's the first of a series of efforts by the government to bolster confidence," said William Kurtz of Paine, Webber, Jackson and Curtis, "it could mean a lot."

He said other steps, like a cut in corporate income taxes, could "replace a possible recession with a real resurgence."

Martin Gilbert of Van Alstyne, Noel and Co., said, "We are in the midst of a secondary market recovery and any good news should stimulate it further."

"Washington is finally taking some steps toward improving the market which, in turn, wags the tail of business. We should have a very strong stock market and a very busy summer."

The market recently has shown its first sustained strength since the 1929-like break of May 29. There was talk then of a margin reduction, but many argued that it might be taken as a sign of government fear and therefore produce panic selling.

"Welcome Move"
President Keith Funston of the New York Stock Exchange called the reductions a welcome move and said the 50 per cent level is proper.

He said the step would discourage borrowing from outside sources for stock purchases.

"This credit seeps into the market—particularly during periods of high initial margins—and undermines effective regulation," he said.

Chairman Edwin Posner of the American Stock Exchange said the fact the Reserve Board decided to ease credit requirements proves that credit has not been abused by stock investors.

Still Unconscious
Former Eugenean Tom Tugman was still unconscious and still in critical condition Tuesday in a Cheyenne, Wyo., hospital with injuries received 13 days ago in a light plane crash.

He suffered a concussion and fractured jaw when his rented plane crashed while landing at the Douglas, Wyo., airport.

Crime Rate Drops
HONG KONG — Despite its poverty, overcrowding and cloak and dagger reputation, Hong Kong has reported a steadily dropping crime rate in the last three years.

Ancient Ruins
MEXICO CITY — Archaeologists are investigating the ruins of an Aztec palace near Mexico City that may have been constructed in the 7th century or earlier.

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Kim Hyun-chul
South Korean Premier

South Korea Junta Names New Premier

SEOUL, South Korea — South Korea's ruling military junta announced a shakeup of its Cabinet Tuesday, appointing Kim Hyun-chul as premier succeeding Gen. Chung Hee Park.

Park remains head of the junta. Kim was named chairman of the Economic Planning Board and vice premier June 18 when Park took over the premiership.

Park also retained his post as acting president.

Kim was finance minister under former President Syngman Rhee.

Park said in a statement the junta had been looking for a suitable man for the premiership and finally decided on Kim, an American-educated economist.

There was talk Kim, 61, was offered the job after Song Yachan resigned, but refused to take it until more power was given the job.

Park accepted the resignation of two junta members, and also appointed two new ministers.

The two who resigned are Army Brig. Gen. Sohn Chang-kyu, chairman of the junta committee on education and social affairs; and Army Brig. Gen. Yoo Won-shik, a member of the junta's finance and economic affairs committee.

The junta members said they resigned for personal reasons.

Firm Appeals
Tax Ruling

SALEM — Roy L. Houck Sons' Corp., Salem road construction firm, asked the Oregon Tax Court Monday to exempt its rock crushing equipment from the personal property tax.

The company said the equipment is exempt under a law which exempts mobile equipment used by contractors. This equipment is licensed by the state Department of Motor Vehicles.

The Tax Commission ruled against the company, saying that the rock crusher is not mobile equipment.

The company says it is because wheels are attached to it when it is moved.

The Tax Commission said thousands of dollars in taxes are at stake because the case would affect every highway contractor.

Final Charter Meeting
Scheduled Tonight

What is expected to be the final meeting of the Lane County Home Rule Charter Committee will be held at 7:30 standard, 8:30 daylight tonight in Harris Hall.

The committee will be considering final adoption of a proposed county charter. If the charter is adopted it will be turned over to the county clerk for placement on the ballot for the November general election.

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Government Drops Hoffa Prosecution

WASHINGTON — The government has dropped an assault charge against Teamsters Union President James R. Hoffa because of conflicting accounts of the incident at union headquarters.

The misdemeanor charge was lodged May 17 after Samuel Baron, field director of the union's national warehouse division, claimed Hoffa shoved him over a chair and knocked him down twice.

The U.S. attorney's office said Monday it will not be able to prosecute Hoffa because there are serious conflicts between accounts given by Baron and those of six Teamsters employees who witnessed the incident.

Not Available
Baron has not returned to his desk since the incident. "He just left," a spokesman said Tuesday. "He has not resigned and to my knowledge has not been fired."

Baron said after the scuffle he would rather wait to be dismissed than resign the \$17,000 position. He has not been available at his residence here since the U.S. attorney's announcement late Monday.

There was some grumbling at Teamsters headquarters over the government's decision. Some officials said they believed Hoffa should "get the chance to tell his side of the story," but there was no sign Hoffa would demand a trial.

Checks Held Up
Baron has not been getting his paychecks, the union said, despite the absence of resignation or dismissal.

Baron, 59, displayed a cut over his right eye, a blackened left eye and bruises on his face and legs after the alleged assault.

After the charge was brought against Hoffa, Baron said he was threatened and pressured to drop it.

Baron said a difference between Hoffa's "conception of the labor movement and mine" was behind the incident.

Morse to Speak
At Ceremony

PORTLAND — Sen. Wayne Morse, D-Ore., will be one of the speakers at dedication ceremonies for the Hills Creek Dam on the Middle Fork of the Willamette River, the U. S. Army Engineers office has announced.

The dedication will be held Aug. 4.

Gov. Mark Hatfield also is scheduled to speak. The \$45 million project is located 45 miles southeast of Eugene.

How to Share Command Over Money Bills
Congress Battling Over 'Paper Hat'

By JACK BELL
Of the Associated Press

WASHINGTON — A wooden sword battle between the Senate and House over how to share the paper hat of command over money bills continued to immobilize a petulant Congress Tuesday.

Despite its comic opera aspects, a prestige clash which has prevented final passage of any regular department appropriation bill in six months took on a new note of seriousness after Monday's skirmish.

The House Appropriations Committee rejected a proposed Senate compromise for a study of possible changes in procedures next year. It capped this by adopting, 23 to 2, a resolution accusing the Senate of "consistently advocating large appropriations, increased spending and corresponding deficits."

This brought a roar of dissent in the Senate. Sen. A. Willis Robertson, D-Va., said the resolution was the most insulting document one house ever delivered to the other.

Other Senators Concur
A dozen senators said they felt that the very foundations of the two-house form of Congress were being shaken. They

viewed with each other to back up Robertson in his denial that the Senate is a spendthrift.

Robertson said—and he was supported strongly by his colleagues—that the House was trying to get the upper hand over the Senate.

"This is not a question of prestige—it is a theory of government," he said.

Sen. Gale W. McGee, D-Wyo., chimed in that if the House gets its way, Congress might as well become unicameral, with a single legislative body.

Any new move toward solving the impasse was left up to the octogenarian chairmen of the two appropriations committees, Rep. Clarence Cannon, D-Mo., and Sen. Carl Hayden, D-Ariz.

Senate Republican Leader Everett M. Dirksen of Illinois said that as he sized up the situation: "The Senate refuses to become cannon fodder."

Three-Month Battle
The prestige battle began three months ago Tuesday with House demands that half of the Senate-House conference meetings on money bills be held on its side of Capitol Hill and that a House member preside at half the sessions. The Senate countered with a demand that it originate half of the money measures.

The only progress made since then was a June 18 agreement for meetings to be held in the old Supreme Court chamber, near the middle of the Capitol.

The House Committee's resolution chunked the fat in the fire. It said, among other things, that "the inequitable practice of conducting all conferences under the chairmanship of a senator gives the Senate a disproportionate advantage."

It said this was evidenced by final approval by Congress of \$22 billion out of \$32 billion in Senate increases over House levels of money bills in the past 10 years.

It added this was "a two-to-one ratio in favor of the body consistently advocating larger appropriations, increased spending and corresponding deficits."

Supplemental Requests
Robertson replied heatedly there were several reasons for all this. He said the Senate each year must consider supplemental budget requests from the President after the House has passed bills.

The Senate is always importuned by government agencies to increase House figures, he said. He added that House members were always coming around asking the Senate to restore House cuts in projects which they were gagged from doing anything about by their branch's strict floor rules.

Robertson indicated he thinks the tussle will reach explosive proportions at the end of this month. Previously the two houses agreed on a resolution to extend spending by departments through July at the rate of appropriations made for the fiscal year which ended June 30.

"If the House insists on no conference except on their terms, I for one will insist on the position which our committee has taken," he told the Senate. "At the end of the present month, there will not be an agency of government that will have one cent on which to operate."

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Israel Protests
Border Incidents

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It said: "The court's decision protects the integrity of the religious conscience and the proper function of religious and governmental institutions."

The signers called on Americans to study the decision, "prayerfully and without political emotion."

Methodist Leader
Backs Decision

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Foreign Aid Victory

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The Senate voted to restrict such aid to surplus food. But McCormack told reporters "We are confident the House will give the President... the discretionary power to act in the vital national interest of our country."

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Key congressmen of both parties worked behind closed doors, meantime, in an effort to find a formula that would satisfy both the White House and lawmakers who have been critical of aid to Communist Poland and Yugoslavia.

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