

Floating Supply of Stock Said Too Small for Good of Market

By ELMER C. WALZER
UPI Financial Editor
New York — Wall Street looked upon the remarks of Stock Exchange President Keith Funston as a possible forerunner of a drive to bring a reduction in the capital gains tax.

Funston, speaking before the Minneapolis Chamber of Commerce, said the stock market mirrors a shortage of stock presently available to meet investor needs.

There presently are some five billion shares listed, valued at \$250 billion. That's a lot of stock but it is a fact, as the experts note, that the floating supply is small — too small for the market's good.

Funston notes one can buy a stock if he is willing to pay the price, but when the supply is small he often must bid high for his stock. And when he wants to sell he also may encounter a thin market which might bring a sharp decline.

One reason for this shortage, Funston explained, is the demand evidenced by individuals and institutions who have confidence in the ability of the nation to grow and who also want to hedge against inflation.

Another Reason
He gave as another reason, "our antiquated and totally unrealistic tax laws, particu-

larly the capital gains levy." These laws, he said, "have caused investors to lock up billions of dollars of stock, rather than pay the whopping capital gains tax penalty levied against successful investments."

He would reduce the holding period for long-term capital gains from six months to three months and cut the "penalty on successful investing" from a top of 25 per cent to 12 1/2 per cent.

Last session of Congress saw a bill introduced along these lines by Earl Wilson (R-Ind.). He had planned to reintroduce the bill in the 86th Congress provided a contemplated survey would show the Treasury would gain rather than lose revenue by the legislation. He was defeated in the recent election.

Now James B. Utt (R-Calif.) stands ready to introduce a similar bill. He recently made that known to William Jackson, president of the Investors League which has been working for such legislation for a long time.

"I personally am firmly in favor of the objectives of this legislation and will personally introduce it in the 86th Congress," Utt said.

The bill as drawn up by Wilson provided that the revenues coming from the capital gains taxes be applied to reduction of the national debt. It is believed Utt will make a similar provision in the bill he presents.

Funston also favored an option in the tax law that would permit an investor to sell a stock in which he has a long-term capital gain without incurring an immediate tax, if he fully reinvests the proceeds in a single stock investment within 30 days.

He also favored modification of the double tax on dividends. He would free the first \$100 of dividends from taxation rather than \$50 as at present and raise the dividend tax credit from 4 per cent to 10 per cent — and eventually to 20 per cent.

He indicated also that he favored use of more credit for stock market purposes.

"We happily encourage people to borrow in order to buy 90 per cent for a house, up to 75 per cent for an automobile, 100 per cent for a washing machine — but we virtually prohibit borrowing for the purpose of saving and investing in the companies that produce these products," he said.



TO SUCCEED MAO?—Chinese Nationalist sources on Formosa have predicted that Marshal Chu Teh (left) will replace present Red Chinese Premier Mao Tse Tung (right) as the leader of Communist China. The source attributed the prospective change to popular discontent over a new labor system and the failure to capture the Quemoy.

Lumbermen's Body Reelects Trustee

Portland — (UPI) — Henry E. Baldridge was reelected trustee of the Columbia Basin district of the Lumberman's Industrial Relations Council at the group's annual meeting Tuesday. Baldridge is with Publishers Paper company of Oregon City.

E. M. Boddy of Crown Zellerbach corporation, Portland,

land, was named alternate trustee to succeed C. E. Nichols, also of Crown Zellerbach.

TIDA LWAVE STRIKES
Huasco, Chile — (UPI) — A tidal wave carried away more than 45 yards of the sea wall in the harbor area of this north Chilean port Tuesday, causing considerable damage to the docks but no reported casualties.



ELEVATED—Philadelphia's John Cardinal O'Hara (left) listens while the papal document elevating him to cardinal is read aloud to him at the North American College in Rome. He was one of 23 new cardinals created by Pope John.

Neuberger To Suggest Major Changes in Bill

Portland — (UPI) — Sen. Richard L. Neuberger (D-Ore.) said today he would recommend three major changes in his bill for a Columbia River Development corporation as a result of testimony at hearings held in the Northwest last week.

He listed the changes as:
1. Make the general manager of the corporation an appointee of the five-member board of directors rather than of the president.

2. Make the bill's language emphatic that the regional corporation isn't authorized to own, build or condemn hydro-electric power dams. "We are going to stipulate definitely that the corporation could not go out and construct its own dams which were without the customary authorization by Congress."

3. Make terms of the bill pertaining to cooperation with non-federal power projects more flexible and less rigid and demanding.

Neuberger said the hearings had fortified his faith in the bill's amendment of the public-power preference clause, which would prevent any one state from having "an unreasonable geographic concentration" of power sold by the regional corporation. He said if one state cannot monopolize the power "then it inevitably follows there will be ample energy for all four states (Oregon, Washington, Idaho and Montana)."

University May Acquire Landmark

Portland — (UPI) — An old landmark near the University of Oregon in Eugene — the Odd Fellows cemetery — may become part of the campus.

The State Board of Higher Education Tuesday approved a plan to seek legislation which would authorize vacation of the cemetery. The University wants the land as part of its site development program.

Six Accused Of Burglaries

Tillamook — (UPI) — Three members of a sextet accused of burglarizing several homes on the Oregon coast appeared in Circuit Court here Tuesday before Circuit Judge Jack Bohannon and pleaded guilty.

Billy and Evelyn Roberts, both 24, and Duane Ryan, waived their rights to an attorney and admitted the charges.

State Police Captain Wayne Gurdane testified that several thousands of dollars in goods was taken from homes from September to the end of November, when the group was arrested.

A fourth member of the group, Delmer LeRoy Daniels was being held in the Tillamook county jail.

The three were specifically charged with entering 14 homes in Neskowin Dec. 2.

Two other alleged members of the gang are in custody in Tacoma.

The six also are wanted in Washington for burglaries in King, Pierce and Thurston counties.

Balmy Weather Snaps Cold Spell In Middle West

By United Press International
Com par tively balmy weather spread over the nation's midsection today, snapping a prolonged cold wave by lifting temperatures above the freezing mark for the first time in nearly two weeks.

However, the chilly grip of winter maintained a stubborn hold on the Southeast during the night and a new snowstorm, powered by Arctic blasts, raced across the Northern Plains into the Upper Great Lakes.

The warming trend began Monday in the Central and Southern Plains, advanced into the Midwest Tuesday, and was expected to reach the Atlantic Coast today.

Florida Cold
In the meantime, readings dropped to 34 degrees in Tallahassee, Fla., early today under the influence of the lingering cold air. At the same time, Pierre, S. D., had a comparable temperature of 33 degrees.

As the warm air advanced across the interior, temperatures shot up to 70 degrees in Northern Texas, Lincoln, Neb., had a high of 58 and Pickstown, S. D., recorded 51 degrees.

Temperatures were expected to range in the 40s and 50s today from the Central Plains across the Central Appalachians into much of the East.

Quadruplets Born In San Francisco

San Francisco — (UPI) — The 22-year-old wife of a Navy machinist mate gave birth Tuesday to her fifth child... and sixth... and seventh... and eighth.

Her 20-year-old husband admitted that he was "pretty shook" by the news.

The mother was Mae Currington, formerly of Houston, Tex. She and the quadruplets — three boys and a girl — are doing well, according to doctors at Letterman Army hospital.

The father, Delano, said they were told in September they could expect a multiple birth.

"I like to faint when they told me," he said. "You can't say you want such a thing — but when it comes about, you're pleased and happy."

The Curringtons have four other children, born to Mrs. Currington by a previous marriage. They are aged 7, 5, 4, and 20 months.

The smallest of the quads was the little girl, who weighed 2 pounds, 11 ounces. The three boys weighed between four and five pounds each.

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