Your Money's Worth

By SYLVIA PORTER

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WOMEN TO BLAME FOR STOCK CRASH? NUTS!

Was it the "little woman" who panicked on Black Monday, May 28, in Wall Street, then in unreasoning terror dumped her stocks in skyrocketing volume and thereby set off one of the worst stock market slumps of this century?

This is the accusation Wilbert H. Teepe, a vice president of Merrill Lynch, Pierce, Fenner & Smith, made on TV that chaotic week. He declared that 75 per cent of the sell orders he received on Black Monday—and no buy orders—came from panic-stricken female investors. The Insider's Newsletter of Cowles Magazines picked up the spectacular quote, queried Mrs. Ruth Hagy, vice president of United Shareholders of America, who "conceded that most of the heavy selling did come from unseasoned investors and that women formed a large part of this group."

Nuts to Mr. Teepe and Mrs. Hagy—and I've evidence to back up my derisive retort. What Teepe claimed and what Mrs. Hagy conceded wasn't so, and what's more, it couldn't have been so.

Item: Merrill Lynch itself is now making an exhaustive investigation of the 174,000 transactions through its firm that one week and, although its study isn't yet finished, it has enough data to give its own Teepe the back of its statistical hand.

To start with, only one of every five of Merrill Lynch's stock customers is a woman and so, as another vice president said, "Obviously women couldn't be responsible for 75 per cent of the selling in our firm." The week's transactions haven't been broken down by sex at this writing, but this official flatly states, "We know females didn't cause it, there weren't enough of them in the market—and our trading records from day to day and month to month show women aren't nearly as important in trading as some think."

Actually, on the Thursday following the crash—May 31—odd lot buying at this largest brokerage firm in the world topped odd lot selling by three to one. Buying in odd lots that one day totaled $19.5 million, selling $6.4 million and for the week odd-lot buying totaled $49, million against $40 million of selling. Since odd lots are transactions in less than 100 shares each, it's logical to believe a lot of unseasoned females would be in this group.

Item: Bache & Co., a second firm high in the top 10, agrees and goes even farther. Says Bache's Henry Gellerman, "She behaved as she always does—she sees a bargain and buys it."

Gellerman adds significantly that, "More women opened new accounts during those hectic days of the sell off than ever before!" A random survey of Wall Street firms indicates this was a fairly general experience—and the new accounts were predominantly buying.

Item: From a third brokerage firm—this one asking not to be identified—came more confirmation. Since Black Monday it has made a serious effort to find out whether women customers behaved differently from men during the market break. Its findings suggest that, "If anything, women were more conservative and far less active. If I had to guess," says an official of this house, "I'd put it three to one the other way—three men panicked for every woman."

Item: From a fourth firm which had been highly active in new, hot stock issues in 1961, willing to comment but not to be named: "The ones who dumped were men who had gone over their heads in once hot issues and who saw their capital fading away. Women didn't get as much of a chance to get in on those issues. The panic-stricken were the men who had been 'lucky' enough to have had the tips."

Item: While women are participating in the stock market on a record scale, they still accounted for well under 30 per cent of all trading by public individuals at the last census, hardly a majority.

Other responsible surveys have emphasized women tend to become attached to favorite stocks—such as Telephone—won't sell no matter what advice they get. These are behavior patterns, not easily changed.

You know who panicked on TV May 28? Mr. Teepe. You know who used "unseasoned" judgement in conceding his accuracy? Mrs. Hagy.

Russia Hammers Wedge into South America

By JOSEPH SIMS

Rio de Janeiro, Brazil—(UPI)—The Soviet Union is successfully hammering a cultural and economic wedge into South America through Brazil despite mounting anti-communist opposition.

The focal point of the conflict has been a Soviet industrial fair opened recently here. Hundreds of thousands of spectators have flocked to view Russian heavy machinery, a mockup of the Gagarin space cabin and a fashion show by Moscow models.

However, anti-communist groups began waging psychological warfare against the exposition before it opened early this month. Posters showing bott'es of poison atop a table labeled "Soviet Exposition" were plastered on Rio buildings and walls.

Drew Crowds

The United States information agency added its bit by scheduling an exhibition of Astronaut John Glenn Jr.'s space capsule. While the U.S. exhibit drew large crowds it failed to cut into the attendance at the Soviet fair.

A mysterious oomb was the latest move against the Russian show. Some experts believe it was meant to destroy the exposition, while others think it was merely to frighten away the Brazilian public. In any case, it failed on both counts.

Another side of the Soviet economic offensi'e was a trade mission headed by foreign commerce m'.uister Nikolai Patolichev.

Patolichev signed a $40 million trade pact with Brazil on May 7 covering the purchase of Brazilian coffee in exchange for Russian oil, wheat and machinery.

On the cultural front, the Russian Berliozk dance group had a successful Brazilian tour this month and several Soviet movie stars are now in Rio for a week-long Russian film festival. Anti-communists sold thousands of 'ake tickets for the dance performances, provoking opening night disturbances. But there have been no moves against the film stars themselves.

A pro-West Rio de Janeiro paper, O Globo, calls the Moscow offensive "a Soviet invasion of Brazil." It has attempted to prove that the Russians are increasing their spying activities as well as their other forays.

When renewed relations were announced, Foreign Minister San Thiago Dantas—who is often accused of having communist sympathies—assured his critics the Russian embassy staff would be "limited." The siz' of the staff is now estimated at 250 persons.

Sharp Increase

O Globo has also agreed with observers who said that one result of the coming and going of Soviet cultural and economic missions is a sharp increase in the number of spies in Brazil.

Whatever their mission to Brazil, no one denies the number of Russian visitors is growing. One now hears Russian spoken in cafes and on the streets. Brazilians are aware of the Russian presence and seem proud that Brazil merits such attention from Moscow.

A shopkeeper, who had just sold jewelry to two Russian-speaking women, said: "This business of renewed relations between Brazil and the Soviet Union is good. These two women came all the way from that iceberg of a country to our hot, beautiful Brazil. It is a good deal for them. But what about the poor Brazilian wives who have to go live in cold, cold Moscow? I think it's not so good for them."