

## "The Street" Expects Changes To Be Gradual

By ERNEST LEOGRANDE

WHAT does Wall Street think about the results of the presidential election? "The Street" generally is glad to see a Republican victory, as is expected, but there is no hysterical optimism. The first flush of jubilation spent itself in the twenty-four hours after the results became apparent. It has been replaced by a sober awaiting of good things to come.

As a member of The Wall Street Journal staff, I have been asked by The Henry George News to comment on what Wall Street sees ahead with Eisenhower. Because my connection with The Journal is brief—less than a month—and because my work consists in handling news already written and not in assembling and writing it myself, my analysis must be necessarily both cursory and twice-told, based on what experienced men already have said.

This, then, is the picture:

Men of finance feel that the "war prosperity" the Republicans decried will continue for another twelve months. They are glad of it. They feel that full employment because of defense spending during the next year will give Eisenhower one less problem to worry about while he is getting settled.

They see abandonment of deficit financing. Instead, they think the Administration will rely on the use of the Federal Reserve System to combat inflation.

### Trade Not Aid

Direct handouts to foreign countries, they hope, will be replaced by increased trade with those countries.

As for that "bugaboo," taxes, a cut is expected but not as big as the one Republicans promised. Businessmen hope that the excess profits tax will be dropped when it expires June 30, but they are afraid it will be replaced by an increase in the regular corporate tax rate.

Planned economy, in the form of direct price and wage controls, also is expected to vanish when the controls' expiration date, April 30, comes around. "The Street" is counting on "normal" supply and demand to replace controls. Any inflationary tendencies that might arise will be combated by increasing productivity, they say.

Businessmen are happy over the thought of an Administration leaning toward "their" side rather than the side of labor.

But, as mentioned above, statements and actions are cautious. Many men on "The Street" have been waiting twenty years for this day and they are making decisions calmly. The rebuff of 1948 taught them not to count their chickens too soon.

The morning after the election, there was high excitement in the New York Stock Exchange, and the ticker tape fell behind by as much as two minutes in recording transactions.

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## "The Street" Waits

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But by the end of the day, activity had declined to the accustomed pace.

Dealings in commodities, such as grain, fell behind, though. "The Street" isn't sure what the Administration's attitude on farm policy will be, and there seemed to be reluctance to deal in such perishables even though the present farm program will be in existence for two more years.

Summing it up, Wall Street (or American business) feels optimistic, is looking forward to the relaxing of controls, and is counting on this as it makes plans for future expansion.

Tax cuts are expected to be small, but "The Street" is willing to bank on its anticipated prosperity to make up for this.

And the little man who buys the things Wall Street deals in? He needn't worry about higher prices, "The Street" says reassuringly. Increased production and the law of supply and demand will keep the cost of living on a reasonable level.

The Republican's "change" in the economic world, finance feels, will be gradual but—eventually—gratifying.

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