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...ing a further decline in investment and a further decline in profits — until, he says, "we ended up in 1932 and 1933 with profits negative, net investment negative, the whole capital stock simply running down, unemployment at 25 percent and the whole economy on the verge of total collapse."

That need not happen again. The situation today is vastly different from 1929. Profits have been bolstered — partly by the budget deficit. The economy is still expanding. The Federal Reserve has affirmed its "readiness to serve as a source of liquidity to support the economic and financial system." The banking system is not in a state of imminent collapse. The stock market now plays a smaller part in corporate finance than it did then. Governments and central banks are more aware of the role they can play in stabilizing the economy.

But the highly unstable financial markets are still there, threatening to undermine business and consumer confidence. Can anything be done to avoid these speculative swings in the markets? We shall consider that question in another column.

Inc. that it does not already own. Wherehouse, a record retailer based in Torrance, Calif., rejected an earlier offer and has adopted a "poison pill" strategy to make a takeover expensive.

"We're in a position to manage a new enterprise, and we've been looking at a variety of businesses," said a Shamrock official who asked not to be identified. "We settled on specialty retailing as an area that intrigues us. We think there is long-range growth potential in it."

Gold declined to be interviewed.

He was recruited to the Los Angeles law firm of Gang, Tyre, Ramer & Brown Inc., by Frank Wells, now the president of the Walt Disney Company.

But Mr. Gold joined the Disney family through one of his clients, the Los Angeles advertising agency of Dailey & Associates. A principal in the agency, Peter Dailey, is the brother of Roy Disney's wife, Patricia.

ANDREA ADELSON

. . . But Retailer's Head Gets Ready for a Fight

It should be no surprise that Louis A. Kwiker, the chairman of Wherehouse Entertainment Inc., has so far expressed disinterest in a $92 million takeover offer from Shamrock Holdings Inc.

In 1979, when he was recruited as a music consultant to help revive the record retailer, based in Torrance, Calif., the company was so short of capital that it could not pay its bills. The crises escalated when Wherehouse's founder, Lee Hartstone, died, and his estate ordered the company's sale.

Instead, Mr. Kwiker, who was president and chief operating officer then, obtained control of the company with a financing package that was helped by the establishment of an employee stock-ownership plan.

Mr. Kwiker has since accelerated the company's growth by raising $66.25 million in public stock and debt offerings. Proceeds were used to open new stores and acquire others, which boosted overhead and crimped profits in the last two years.

"I think of him as a strong coach," said Keith R. Benjamin, an analyst with Silberberg, Rosenthal & Company in New York. "He's been on a losing streak, and he's getting his team ready for the playoffs."

And Mr. Kwiker, who is a marathon runner, clearly wants to reap the long-term rewards himself, the analyst said.

The 51-year-old chief executive has declined to return repeated phone calls seeking comment on the offer from Shamrock, an investment company based in Burbank, Calif.

Mr. Kwiker, who earned $314,452 last year, started his career as a corporate lawyer in New York after graduating from the University of Michigan. He then worked for two music companies and, later, started a consulting company in Detroit.

In an article in the September issue of Chain Store Age Executive, an industry publication, Mr. Kwiker described his management style as "the philosophy of the ant and the elephant." He said a chief executive's efforts could be compared to an ant trying to move an elephant by causing a disturbance.

He has prodded Wherehouse through an internal training program, Wherehouse University, and through stock incentives. Stock ownership is a requirement of employment. The company's 4,000 employees, who operate 200 stores that are primarily in California, now control stock options for 468,577 of the company's 4.5 million shares.

"Our belief is that people work differently when they own something," Mr. Kwiker said in the article.

"He's worked very hard to clean this company up," said Mr. Benjamin, the New York analyst, "and he's got a shot at becoming the dominant chain in California."

ANDREA ADELSON

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A Resignation In Greece

ATHENS, Nov. 26 (Reuters) — The national economy minister, Kostas Simitis, resigned today and said Greece risked losing the benefit of its austerity program because of sudden changes in incomes policy announced by Prime Minister Andreas Papandreou.

Mr. Simitis, the architect of the austerity program introduced by the Socialist Government in October 1985, quit after Mr. Papandreou told Parliament Wednesday that wage increases to compensate for inflation next year would be paid in January instead of May.

Mr. Papandreou spoke a day after Mr. Simitis announced a policy that would have given salaried workers a 2 percent increase in real income in 1988. Mr. Simitis acknowledged that the policy was unpleasant, but said in his letter of resignation, "Yesterday's developments put at risk the efforts of two years."

The austerity program, which froze wages and salaries, was intended to cut the external deficit and foreign debt and curb inflation. Strikes by dissatisfied workers and civil servants have been common since it was introduced.

Economic analysts said the wage increases would add to the underlying 16 percent rate of inflation. Commerce Minister Panayotis Roumeliotis was named to replace Mr. Simitis.

New York Times, Nov. 27/87

Kleinwort Benson Ltd. Names New Chairman

Kleinwort Benson Ltd., the merchant banking subsidiary of Kleinwort Benson Lonsdale P.L.C., has named David Peake chairman, effective Jan. 1. He will succeed Michael Hawkes, 58, who becomes the company's executive deputy chairman. Mr Peake will also become the executive chief chairman of the Kleinwort Benson holding company when Robert Henderson, 70, retires Dec. 31.

Mr. Peake, 53, is the son of a former chairman of Lloyds Bank P.L.C. and the son-in-law of a former chairman of his own bank, Sir Cyril Kleinwort. ...chant bank, in 1963 and supervised the project finance division for several years.

His experience is in European and Middle Eastern banking and in the development of the international capital markets. Between 1974 and 1986, Mr. Peake was chairman of the Hargreaves Group P.L.C., which distributed commercial fuel oil and vehicles, and also a director of the M & G Group P.L.C., the oldest and one of the largest unit trust management groups in Britain.

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