

July 5, 1962

Dear Mrs. Norris:

On behalf of the President, I wish to acknowledge your communication concerning the recent decline in the stock market. This is a subject which deeply concerns the President and his Administration.

Experience in years past indicates that the stock market tends over the long run to reflect the basic strength and prosperity of the American economy. Our economy has staged a good recovery from the recession of 1960-61. Since the trough of the recession in early 1961, gross national product has risen by \$48 billion, corporate profits before taxes have risen by \$13 billion, industrial production has risen by 15 percent, and unemployment has declined by one million workers. Moreover, present economic indicators foreshadow a continuing expansion in production, employment, and profits.

This Administration is committed to the vigorous pursuit of policies which will help to sustain this improvement in the performance of our economy. And it is by thus contributing to the strength of the economy that the Government can most effectively contribute strength to the stock market.

With the President's gratitude for your confidence in his leadership.

Sincerely,

Ralph A. Dungan  
Special Assistant  
to the President

Mrs. Alfred E. Norris  
234 Midwood Place  
Westfield, New Jersey

jng