

MEMORANDUM

DATE June 8, 1935.

TO: Chairman Kennedy.

FROM: Mr. Laufer. ✓

SUBJECT: Market Stability under S.E.C. ✓

It is interesting to note that on June 8, 1934 (the Exchange Act was signed June 6, 1934) the Herald-Tribune index of 100 stocks closed at 100.48.

Yesterday, June 7, 1935, the same index closed at 100.48.

Thus, using a composite average as an index, the first year of S.E.C. control produced unusual stability to the market as a whole, while individual securities experienced radical adjustment in price due to changing economic and business trends.

EEL/ml