

NEW YORK STOCK EXCHANGE

ELEVEN WALL STREET

NEW YORK 5, N. Y.

March 17, 1961

The Honorable John F. Kennedy  
President of the United States  
The White House  
Washington 25, D. C.

Dear Mr. President:

Knowing how concerned you were about the Standard & Poor's advertising you mentioned, immediately upon my return to New York this week I looked up their recent ads.

The advertisement entitled "Switch Your Featherbedding Stocks" was run twice, the second time with some copy deleted, which is perhaps why you thought the second ad less objectionable than the first. I agree with you that the approach was undiplomatic and unfortunate in the light of present-day conditions.

Although the Exchange's jurisdiction over advertising is limited to its member firms, and does not extend to Standard & Poor's, we did discuss the subject ad with the executives of that concern. They were distressed that their advertisement was subject to criticism. They stated that they had no intention to be unfair or destructive and would withdraw the advertisement from further use.

Their intent was to create an advertisement which would draw attention -- which, in this instance, succeeded only too well. Who would have dreamed that the President of the United States was such an avid newspaper reader!

The cooperation of the officers of Standard & Poor's in this regard is indicative of the high standards and high ethics which I have come to associate with Standard & Poor's in the investment advisory field.

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While one cannot condone the scare generalizations of the Standard & Poor's ad, it is an economic fact of life that featherbedding and other difficulties which lead to excessively high labor costs create a serious problem for the investor. Undoubtedly, many investment advisors privately suggest that their clients invest in firms that give evidence of being able to increase productivity. I know, of course, that you are aware of this in view of the statements you have made concerning the necessity for assuring economic growth through increased productivity.

Again, thanks for such an interesting and constructive visit.

Respectfully yours,

Keith