

METROPOLITAN LIFE INSURANCE COMPANY

NEW YORK CITY

LEROY A. LINCOLN
PRESIDENT

May 21, 1942

To the Members of the Home Office Staff:

The amazing progress of the United States in producing the weapons and material for modern warfare is known to everyone. It may not be so well understood that the stupendous cost of these activities can be met in only two ways - by taxation and more taxation on the one hand and, on the other hand, by the Government borrowing the necessary funds. This process of borrowing is carried out through the sale of the bonds of the Government to the people, and each bond which is purchased represents a debt of the greatest Nation in the world to the individual who holds the bond.

It goes without saying that it is utterly impossible to pay the astronomical costs of our war activities by current taxation on the "pay-as-you-go" principle. Much the greater part of these costs must be paid by the borrowings which I have described, which means that much the greater part must be represented by purchases of Government bonds by individuals and by corporations.

Purchases by individuals out of their current earnings serve another purpose; that is, they serve as an offset to inflation in prices of goods. The production of goods for current domestic use is being greatly narrowed by the conversion of producing facilities for the purpose of making war materials. Therefore, the current supply of consumers' goods is constantly dwindling, and the demand for such goods can be increased by the use of excess earnings of individuals in competition for such purposes. The result, through the old law of supply and demand, is that prices will go up and up. One antidote lies in the application of a part of one's current earnings to some savings enterprise, the outstanding example of which is the purchase of Government War Savings Bonds.

Consequently, every patriotic American will have opportunity to demonstrate his or her patriotism by allocating a certain part of his or her earnings to the purchase of the bonds which the Government is offering for sale and through which process, as stated, each individual is making a loan to his Government.

The bonds which are suitable for most of us are known as Series E Bonds which, if held to their maturity of 10 years, pay 2.9 percent interest. The Secretary of the Treasury of the United States is seeking to have every person subscribe to such bonds to the extent of 10 percent of his current earnings.

Whether 10 percent, or more, or less, suits your individual situation, is for you to determine. I am satisfied that every member of our great Metropolitan Company has an earnest desire to be of assistance in this war emergency in many directions, and one of those directions is, most certainly, in setting aside as much as is possible of his or her current earnings for purchase of War Bonds.

Our Company has set up a simple and systematic method of acquiring War Bonds through pay-roll allotment, and we are in position to obtain and register such bonds for each individual and, if desired, to hold the bonds for safe-keeping until maturity.

I am addressing this letter to each member of the Metropolitan family in the earnest hope that each one will give conscientious thought to the subject and will see that his or her name is included as a purchaser to whatever extent may seem possible in the light of this great emergency.

There will be a friendly competition among the various Home Office Units, and comparative standings for each 4-week period will be compiled and published. A handsome permanent trophy will be provided on which will be inscribed the name of the Division that leads the Office during each such 4-week period. Further details of the competition will be published in The Daily Bulletin and in The Home Office Magazine.

In behalf of our Country, in behalf of the boys at the front, in behalf of our homes and our dear ones, and in accordance with the reputation of the Metropolitan as a leader in all things, I solicit your participation in this great endeavor.

Yours very truly,

Emory A. Lincoln
President

METROPOLITAN LIFE INSURANCE COMPANY

NEW YORK CITY

LEROY A. LINCOLN
PRESIDENT

May 22nd, 1942

Hon. Marriner S. Eccles
Chairman of the Board of Governors
Federal Reserve System
Washington, D. C.

My dear Mr. Eccles:

After talking with you on the telephone today, I prepared the sort of letter which I thought would meet the suggestions you made regarding transmission of the clipping from the Eastern Underwriter. I enclose a copy of the clipping, assuming you may not have seen it.

I tried to get you on the telephone again to read you the letter and learn that you were in a meeting. I am enclosing the letter which seems to me to serve properly for the transmission of the clipping and would appreciate it if you would either telegraph or telephone or write me that it is agreeable to have us use it or make any suggestions that may occur to you.

Incidentally, I enclose a copy of a letter which is being put in the hands of each of our 15,000 clerical employees at the Home Office. A similar letter, with appropriate changes to fit the Field Force, is being sent to each of our Field-Men throughout the United States.

It seems to me that your letter, the reprint of which we are anxious to send out, is a most appropriate supplement to our own letter.

I hope, if possible, I can hear from you by Monday, the 25th, as we would like to get your statement into the mails as soon as possible.

With best personal regards, I am

Very truly yours,

Leroy A. Lincoln
President

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The citation for the original is:

Eastern Underwriter, "Eccles on Life Insurance," May 22, 1942.

METROPOLITAN LIFE INSURANCE COMPANY

NEW YORK CITY

LEROY A. LINCOLN
PRESIDENT

May 22nd, 1942

To the Field Force.

Gentlemen:

We are handing you herewith a reprint of an article which appeared in the Eastern Underwriter of May 22, 1942 quoting from a letter which was addressed by Hon. Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, to United States Senator John A. Danaher of Connecticut.

Mr. Eccles' letter sets forth concisely but emphatically the necessity for all possible saving to be directed to War Savings Bonds or, next in order of importance, to Life Insurance.

It would be distinctly unfortunate to have this letter used for the sale of Life Insurance except where it is being sold for the needs of the family but, when so sold, the Eccles' letter gives important reasons why such a sale is in the public interest.

This letter should be looked on from an educational point of view as a means of informing the public of the importance of saving, of the use of savings for the purchase of Bonds or Life Insurance, and of the effect which such use will have against inflation in the price of goods.

Very truly yours,

President

May 25, 1942.

Mr. Leroy A. Lincoln, President,
Metropolitan Life Insurance Company,
New York City.

My dear Mr. Lincoln:

This is to thank you for your letter of May 22 transmitting a copy of the material you have prepared for distribution, quoting my letter to Senator Danaher on the purchase of War Savings Bonds and of life insurance.

I think you have presented the matter in correct focus, properly safeguarded so that my letter would not be used for promotional ends in the sale of insurance. I appreciate the care you have given to this and your courtesy in checking it with me.

With kindest personal regards, I am

Sincerely yours,

(Signed) M. S. Eccles

M. S. Eccles,
Chairman.

 ET:b

METROPOLITAN LIFE INSURANCE COMPANY

NEW YORK CITY

LEROY A. LINCOLN
PRESIDENT

May 27th, 1942

Hon. Marriner S. Eccles,
Chairman, Board of Governors
Federal Reserve System
Washington, D. C.

My dear Mr. Eccles:

Your letter of May 25th has just now been received and I want to thank you for your attention to my request.

We shall proceed along the lines outlined to you in my letter of May 22d and shall make every effort to keep the matter "in correct focus", which is really a very happy phrase.

With kind regards, I am,

Yours very truly,

Leroy A. Lincoln
President

LAL:B

METROPOLITAN LIFE INSURANCE COMPANY

NEW YORK CITY

LEROY A. LINCOLN
PRESIDENT

June 1, 1942

To the Field Force.

Gentlemen:

We are handing you herewith a reprint of an article which appeared in the Eastern Underwriter of May 22, 1942, quoting from a letter which was addressed by Hon. Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, to United States Senator John A. Danaher of Connecticut.

Mr. Eccles' letter sets forth concisely but emphatically the necessity for all possible saving to be directed to War Savings Bonds or, next in order of importance, to Life insurance.

It would be distinctly unfortunate to have this letter used for the sale of Life insurance except where it is being sold for the needs of the family but, when so sold, the Eccles' letter gives important reasons why such a sale is in the public interest.

This letter should be looked on from an educational point of view as a means of informing the public of the importance of saving, of the use of savings for the purchase of Bonds or Life insurance, and of the effect which such use will have against inflation in the price of goods.

Very truly yours,

Leroy A. Lincoln

President

Eccles on Life Insurance

Federal Reserve Chairman Says Its Purchase Comes Next in Importance to Govern- ment Bond Buying

In his address as president of the Actuarial Society of America at its meeting in New York last week, John M. Laird, vice-president Connecticut General, quoted Marriner S. Eccles, chairman of the Federal Reserve System, who had said that next to the purchase of government bonds investment in life insurance is particularly to be encouraged at this time. Mr. Eccles said:

"All proper steps must be taken to prevent a runaway price situation and to this end a complete and comprehensive attack must be made on all fronts against inflationary forces.

"This is the time to save, not to spend money. This is the time to get out of, not into debt. No form of savings is as timely and effective as the purchase by our citizens of government savings and war bonds. Savings out of current income when thus invested help finance the war, are diverted from the market place where they tend to bid up prices of the shrinking supply of civilian goods, and are a store of future purchasing power which will be needed and can be spent without inflationary consequences after the war.

"Insurance companies are large investors in government securities so that the bulk of savings put into the insurance companies in the form of premiums thus help in financing the war. Likewise, investment in life insurance serves to divert funds from consumer markets and thus to reduce inflationary pressures. And, of course, insurance is a store of future protection for the beneficiaries of insurance policies. Accordingly, I feel that next to the purchase of government savings and war bonds and stamps by the public, investment in life insurance is particularly to be encouraged at this time."

METROPOLITAN LIFE INSURANCE COMPANY

NEW YORK CITY

LEROY A. LINCOLN
PRESIDENT

June 4th, 1942

*Attention
Shawston*

Hon. Marriner S. Eccles
Chairman, Board of Governors
Federal Reserve System
Washington, D. C.

My dear Mr. Eccles:

I thought you might like to see the reprint of your letter referring to Life Insurance and the communication which has been sent to the members of our Field Force, which letter you were good enough to visé when I consulted you about it. I think you will find everything has been worked out as you would have liked.

Yours very truly,

Leroy A. Lincoln
President

LAL:B Encl.

June 8, 1942.

Mr. Leroy A. Lincoln, President,
Metropolitan Life Insurance Company,
New York City.

My dear Mr. Lincoln:

This is to thank you for your letter of June 4 enclosing a copy of the one you have addressed to your field force, making reference to my reply to Senator Danaher of Connecticut in regard to savings in War Bonds and, secondly, in insurance. I appreciate the consideration you have given to my letter and the care you have exercised to prevent its being used in any promotional way to sell life insurance.

I think your letter to the field force states the matter very well indeed, and I wanted to express my appreciation to you.

Sincerely yours,

(Signed) M. S. Eccles

M. S. Eccles,
Chairman.

 ET:b

METROPOLITAN LIFE INSURANCE COMPANY

NEW YORK CITY

LEROY A. LINCOLN
PRESIDENT

June 23rd, 1942

Hon. Marriner S. Eccles
Chairman of the Board of Governors
Federal Reserve System
Washington, D. C.

Dear Mr. Eccles:

I do not expect you to read the enclosed copy of our house organ entitled "The Home Office" for June 1942. I do think, however, that you may be interested in glancing through the first article concerning our War Bond Campaign. This article runs from page 1 to page 5 and you will note that I read your letter which is reprinted on page 5. The picture of one of the groups on page 3 is simply one of fifteen such groups which I addressed.

The results of the campaign are very gratifying and we expect they will be even better.

Very truly yours,

Leroy A. Lincoln
President

P. S. At luncheon with Graham Towers in Ottawa last Thursday, I told him of your personal obligation to me in the sum of \$20 and he volunteered to draw on you. I hope he has.

June 26, 1942.

Mr. Leroy A. Lincoln, President,
Metropolitan Life Insurance Company,
New York City.

Dear Mr. Lincoln:

I was interested to glance through the article to which you called my attention in the issue of your house organ for June, 1942, and I wish to thank you for sending it to me.

As I have said previously, I appreciate the manner in which my letter to Senator Danaher has been presented without using it for promotional purposes in the sale of insurance. I am glad to know of the gratifying results of your campaign.


Graham Towers is one of the ablest men I know in the field of government and central banking. I haven't seen him lately, but hope I shall have that privilege soon again. He is much too smart to draw on me on any theory that that hard-won \$20.00 represents any obligation. My only regret about that is that you who named the stakes didn't make them steeper.

With kindest personal regards,

Sincerely yours,

(Signed) M. S. Eccles

M. S. Eccles,
Chairman.

 ET:b