

BANKERS *Life* COMPANY

GERARD S. NOLLEN, PRESIDENT



DES MOINES, IOWA

December 28, 1937

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

Dear Mr. Eccles:

A copy of your address of December 14 before the Farm Bureau Federation at Chicago has just been sent to me by Mordecai Ezekiel. Of course, I had read the newspaper reports of the address, but was glad to have a complete copy of it.

I want to offer my congratulations to you on the clarity with which you present your subject. Your analysis strikes me as being logical. The only criticism I could possibly offer is that you may have understressed the practical effect of some of the recent tax legislation such as the undistributed profits tax. I say that not because of the direct results due to the tax levies, but because of the psychological effect of that law in its present form.

Men act in harmony with their convictions, regardless of whether those convictions are based on fact or fancy, and the present law has unquestionably engendered a feeling of fear about the future in the minds of many business and industrial leaders of our country. Our greatest need today is a feeling of confidence, and that need includes especially the people of this country who have the means to finance the promotion of expanding enterprise. It is not necessary to give in to the demands of those who would wipe the whole slate clean of new legislation involving Federal controls and Federal taxes, but we do need, and seriously need, modifications of those new laws which will correct the inevitable errors of hasty action.

Early this month I delivered an address at the annual meeting of the Association of Life Insurance Presidents somewhat along the lines of your discussion. I thought you might be interested in glancing through it, so I am sending you a copy herewith.

Sincerely yours,

G. S. Nollen

GSN:GH

December 30, 1937.

Mr. G. S. Nollen, President,
Bankers Life Company,
Des Moines, Iowa.

Dear Mr. Nollen:

Your letter of December 28th commenting upon my recent talk before the American Farm Bureau Federation in Chicago and enclosing a copy of your address before the Association of Life Insurance Presidents is very much appreciated. Your comments on what I had to say are gratifying, especially because of your breadth of view as indicated by your address, with which I find myself very much in accord, particularly your discussion of maladjustments resulting from wage, hour, or other factors that create unbalance.

I freely confess that your criticism with regard to the practical effects of tax legislation—and I would not confine it to tax legislation—is justified. I felt that in my position I could not with propriety go further than to comment on the effects of outright repeal of certain taxes, which I think are sound in principle if correctly applied. Possibly I was wrong in this conclusion and should have spoken more freely, as I certainly was disposed to do had I consulted only my own wishes.

In any event, I was glad to have your letter and the expression of your views, which I regard as broad visioned and constructive.

Sincerely yours,

M. S. Eccles,
Chairman.

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