

## AN ABBREVIATED AUTOBIOGRAPHY

(With genealogical notes)

By

PAUL T. BETZ

(Written May 1972)

I was born on a 133 acre farm located two miles east of the town of Grimes, Iowa, that being about 8 or 9 miles northwest of the city limits of Des Moines, on February 9, 1897. My father operated the farm which he had partly inherited from his father. My father's parents emigrated from Germany in the middle part of the 19<sup>th</sup> century, as did also my mother's parents. My paternal grandparents were John Betz and Mary Beitenmiller, and maternal grandparents were Nicholas Christian Schrader and Barbara Sanders. My paternal grandparents were born in the State of Schwabia, near The Black Forest in what is now West Germany – except that it was in the area of Hamburg.

My father was born on October 23, 1863 on grandfather's land on the open prairie then known as Ayres Grove, and situated a short distance west of where the town of Grimes was later to be incorporated. John Betz had three sons of whom my father was the youngest, and one daughter who was his eldest child; their names were Louise, John, Christian and Paul, in chronological order. My father was a quiet man of few words as a rule, of calm disposition, had no enemies that I ever knew about, and was a hard-working, God-fearing person who supported his church regularly. My mother was born on March 22, 1872 in Pittsburgh, Pennsylvania. She was one of ten children (9 girls and 1 boy). They were, in chronological order; Mary, Dora, Louise, Wilhelmina (my mother), Christian, Anna, Sophia, Christine, Clara and Emma. My mother was a handsome woman of loving and gentle disposition.

In 1892 my mother came to Grimes to visit her sister, Louise, who was the wife of the Rev. William Schneider, pastor of the local Lutheran Church. My father and the members of the family were members of that church. At some church function my mother and father met. They dated a few times and fell in love; I do not know the details. On October 23, 1893 they were married in mother's church at Pittsburgh. Coming home on the train they had 'oyster patties', something which father had never had, but he liked them and so did mother. That incident seemed to come up in family conversation over the years every once in a while, for no apparent reason except that we asked mother to have 'oyster patties' for dinner occasionally. My father brought his bride to a new house which he had built in a corn field on his farm; grandfather Betz had died a year or so before that. Grandmother Bet died when father was nine years old; he was sitting on her lap when she fell off the chair with a heart attack. Grandmother Schrader died in 1910 and grandfather in 1917. He was an interior decorator by trade; he contracted large jobs, the Union Station in Pittsburgh being one of them.

What a great change my mother must have experienced in her way of living – from a large city to open farm country, and from the environment of a large family to quiet days on the farm while father spent so many hours in the fields and attending to the livestock. The future must have looked somewhat formidable to her, from a practical standpoint. But love can be a

masterful conqueror. She determined to learn the ways and the duties of farm life, and become a good farm wife. That she did, despite difficulties which existed in that area of farm folks where she was the only one who had grown up in the city, and at times in some respects she was made to feel the unkindness of the few local critics. But most of the farm wives who were neighbors gladly helped her; she eventually became one of the most efficient among them. She made her own laundry soap, cured meats for summer usage, canned many fruits, etc. And liked to garden! She was by nature kind and helpful to others; was good looking, liked good times and made many friends.

I am the oldest of seven children born to my parents; chronologically they were, after me: Willie, Irma, Harry, Helen, Irene and Lucille. I did not come along until they had been married for more than three years. They were very much wanting children, so I am told that I was profoundly welcomed. Willie died at the age of ten years after sustaining a compound fracture of a leg above the knee, and later developing pneumonia. He fell in the barn and broke the leg. He was always a happy boy, with fun in his eyes; of course, he was my playmate and I missed him very much. Mother had a very difficult time accepting the loss of her fine son. Only four of us survived: Helen (Kinsey) and Lucille (Smith) at Des Moines and Irene (Friar) at Perry, Iowa.

We were a happy family in our growing up. There are many things to do by way of playing and being creative on a farm. And, of course, there were morning and evening chores to be done. Our house had stoves for heating, cooking so wood (some coal) for the night had to be brought to the house each evening. The cows had to be milked; the eggs had to be gathered from wherever the hens laid them. The plumbing was outdoors, not pleasant situation on a cold winter days. But the work was divided and no one had to work too hard – just enough to have good appetites at meal times, and that we had.

My mother had been to visit her home in Pittsburgh only once in the ten years since she had come to Iowa. So, in the spring of 1903 she decided she wanted to see her family again, (I think to show off her family of which she was very proud), but certainly to see her parents also. There were five children by that time, all born within a period of a little more than six years. My father ordered the tickets thru the ticket agent at Grimes; they had to be ordered out of Des Moines. We all arrived in ample time at the Grimes station, but the agent was nowhere to be found and he had the tickets in his pocket. Father looked frantically all over town for him and finally located him playing pool upstairs at the Odd Fellows Lodge, totally unconcerned about getting the tickets to us. Father got the tickets barely in time to board the train. When the conductor came through mother gave him the one ticket she had and told him the agent at the station agreed that one was all that was necessary. The conductor argued quite a while, and finally growled “the idea of six persons riding on one ticket, and we will probably get a lot of noise tonight.” But mother promptly got us all into two berths and not a sound was heard all night, not even from Helen who was the baby.

We arrived at the Union Station in Chicago the next morning, where we had to change trains to go on to Pittsburgh. Irma got lost in the station. After quite a stir and commotion we found her at the opposite end of the station where we all were sitting and waiting for our train departure time. Irma seemed unconcerned about getting lost, she was enjoying the sights. We arrived in Pittsburgh late that night. We stayed at our grandparents’ house which was a large

two-story structure. We all had an unforgettably grand time; everything was so new and different to us children. The numerous relatives invited us to their several homes at various times. Cousin, Edward Adler, would take us boys in the evenings occasionally. When we came to a place where there would be quite a few people he would play his mouth-harp and start jiggling. As soon as a number of people would gather around to watch him he would pass his hat and get quite a few coins, whereupon he would buy us treats of candy and fruits. I can still smell the beautiful aroma of those fresh fruit stands on the sidewalks. One day grandfather gave each of us boys a pocket knife with metal chair attached to it, and each of the girls a trinket of some kind. I remember one of us boys dropped his knife and chain down a metal grill on the sidewalk; it fell about 4 or 5 feet down. None of us could figure out how to get it, but when grandfather arrived home from work he tied an open safety pin to a string, dropped it down to the knife and hooked the pin into the chain and pulled up the knife. He was a hero. Numerous instances took place while we were visiting there, and while they may have been simple in nature they were profoundly interesting to us children.

I do not recall that anything unusual happened on the way home. Dad was at the train to meet us and was so glad to have us back. I remember he said he had enough bachelor life for a long time to come. However, the neighbors had him in for meals very often, especially Aunt Louise (his sister) who lived only a short distance down the road from our home.

Dad owned our farm and made a comfortable living for his family out of operating it, but not much money - - I guess we were poor but did not realize it. Actual money was hard to come by in those days. Few people had very much of it, but on the other hand it did not take much money because prices were much lower than they are now, there were not so many things to buy, furthermore people bartered more than for commodities than they do now. Now practically all trading is on a cash or credit basis. We had nearby farmers for neighbors, nearly all of whom had children with whom we could get together to play. On Sunday afternoons we boys quite often got together and called on a jolly Irish bachelor farmer who liked us and always treated us to something to eat. Once he gave us bread and corn syrup which he told us was honey, but we knew better. On Halloween we would always try to scare him; he always acted very scared, a good Irish actor. We never did anything very bad at his place, but some others got the works - outdoor plumbing was disrupted maybe a goat tied up on the roof of the barn, or barnyard gates left open so animals could get out.

One morning at breakfast, Helen (about 5 or 6 years old) was very quiet and not eating. She held one hand on the opposite upper arm. After close inquiry it was learned that Helen had released a mouse which had been caught in a wire trap the night before, and it had run up her sleeve. Dad took care of that, and we all got a good laugh. She never heard the last of it, and never released another mouse from his prison.

Of course, there were many anecdotes that helped to make life interesting - some of them comic and some not so comic, as is went in a large family. We all grew up to be normal, happy children and all doing normal things. We all graduated from high school and acquired some additional schooling of some kind. Our Dad was very strong for education and urged us to get all we could, at the same time giving each one all the financial and moral encouragement he could afford. He had grown up on the land when it was open prairie, went only to a one-room

grade school, however, he later took a bookkeeping course in a business school in Des Moines. I had one year of Grinnell College, about half of which I paid out of savings I had accumulated. Funds were not in evidence for me to continue. But it was indeed a happy day (if a bit emotional) when I saw my daughter finish at that school.

My first five grades were spent in a one-room country school situated about a mile from where we lived. I guess all of us spent some time at that school. We walked in all kinds of weather, except when it was too cold and then Dad would drive us, usually in a bob-sled. Often the roads were drifted full of snow and a lot of shoveling was necessary in some instances. Then one fine late summer day my cousin, Lottie Bauman (daughter of Aunt Louise, Dad's sister) who lived down the road about 4 city blocks, asked me if I would like to go to the school in Grimes, two miles away, and ride with her. Her angle was to get someone to hitch up the horse and buggy morning and evening and drive her to school. I was sort of fed up with the old country school; felt that I was not learning much, so I jumped at the opportunity. That was momentous change for me, to go from a small country school into a much larger school system. It scared me a bit but it was good for me. I made it thru high school there, graduated second in my class.

We were affiliated with the Lutheran Church at Grimes. All of us children learned the Lutheran Catechism, and were confirmed in that church after a grueling examination by the pastor before the congregation. This is the same church in which our Uncle William Schneider was pastor (married to Mom's sister, Louise) and some think was responsible for Mom and Dad becoming acquainted. He was a delightful person, spoke five languages, and loved to sit with a group and converse; he had a very keen and sharp sense of humor which he used freely. However he was not the pastor when we children went thru the gamut there. The pastor then was the Rev. Henry Schoenlein; quite a strict pastor and confirmation school teacher. One day in confirmation school, he made the statement, while we were discussing Baptism, that an unbaptized infant could not be saved. I could not accept that, so after stating my belief that the infant certainly could not be responsible in such a case, asked him why. His reply was "because I said so." I have always been grateful that my parents were good Christians, that has provided sustaining strength to me many times when I have felt the need of spiritual support to overcome weighty problems.

While growing up on the farm I used to wonder about my future. As soon as I became old enough to help Dad with field work and chores, I, like all farm boys, was expected to do that. Field work was always monotonous to me, and it lacked appeal; I much preferred working with the animals. By my middle teens I had seen enough of the farm work, the long hours of hard physical work, compensation quite meager, to decide that I did not care to spend my life as a farm operator. It looked to me as if the farmers were being pushed around by the more populous factions of our society. The farmers were told what they had to sell their products for, while merchants, manufacturers, etc., set their prices for their products. Of course, I had read about that in farm journals which Dad subscribed to. My father was a very good farmer, much better than the average; he kept up the fertility of the soil, had good quality animals and rotated crops from field to field. His farm produced more income per acre than the average. He never encouraged me to be a farmer; no doubt he detected my lack of interest. But let me make it crystal clear – I love to be on a farm; my decision was merely that I did not wish to make my

living by operating a farm. I still like to go onto a farm for the clean atmosphere, the restful quiet, and because I love nature.

I would often hear trains whistling in the distances, wondering who was on them and where they were going. By reading I had learned how much easier life was in the city with shorter working hours and more pay for one's time. To leave the farm would be painful in a way, yet the beckoning to a more stimulated life had its appeal. I decided one cannot have his cake and eat it too. How to make the break! How does one make a change like that? I did not have enough education to qualify me for a very good job; I knew that whatever I got into I would have to study that line of employment. I knew of some men who had done that, I was willing to do it too. I had had only one year of college, but in those days even that much was of some help in finding employment. The fact that one made the effort was to his credit. I never stopped dreaming. One day in the summer of 1917 I replied by mail to an ad I read in the Des Moines newspaper to which my father subscribed; a country bank in Minnesota was seeking a young man to learn the banking business. The qualifications were at least a high school education, of good character and some practical farm experience. As character reference I gave the name of the local bank where Dad did his business. A few days later I received a telephone call from the president of that bank, he asked me to come in to see him. I made post haste. He said he had an inquiry about me from the bank in Minnesota. But, he went on to say that if I wanted to work in a bank, "why don't you come in here and work for us." That was one of the great business breaks of my life. I immediately became the envy of all of the boys of my lineage in the town. The next day I started to work at the Farmers Savings Bank at Grimes. I liked the work from the very start, although the pay was only \$35.00 per month. But I could live at home. My family was proud of me for being so chosen. Of course, I started work at the bottom of the totem pole, sweeping out, dusting, firing the furnace, etc. But they also started me on the books very soon. I was thoroughly cautioned to remember that anything I saw or heard in the bank was to strictly remain within those walls, and to never talk with anyone about anyone else's business. I never forgot that. In those days working in a small bank provided an excellent opportunity to witness the business trends and transactions of the community, and to learn all the phases of a transaction of business. It was a good place to get a practical education. But at the same time I had a yen to go to law school. I had enough credits from Grinnell College to be admitted to Drake Law School in Des Moines. But, I finally decided that such an attempt posed a heavy problem because of the lack of funds. My father was not in a position to provide the necessary help; by that time he was helping some of the others in the family to get some education beyond high school as he had done for me. Anyway, I liked very much the work at the bank; the officers were very kind and helpful to me.

Upon entering the business world I encountered a painful discovery in a relatively short time. It was this: while going to school and living and working for my Dad on the farm, I had no enemies, everyone I knew was my friend, but I was soon to learn that upon going into the business world one takes on a competitive classification; the people who worked in the competitor bank down the street were not so friendly, a bit fishy-eyed, even some of their customers failed to respond as usual to a friendly greeting. It bothered me, but my employers told me that some of that was par for the business world. It took me quite a while to learn how to handle that, gracefully.

Not long after I started on the bank job the most jealous smart-aleck of my approximate age in the town walked into the bank lobby one afternoon (no one was in the lobby) and announced, "You stay away from Ruth Lawdahl" (a high school teacher in town). My reply was "you must be kidding, I never dated her." He replied, "Well don't". I said, "I don't plan to, but I will decide that", whereupon he said, "we will decide it right now", and proceeded to come behind the counter and into the cage where I was working, and immediately swung at me. When it was all over I had a black eye and he had two. I had no more trouble with him after that, and my friends were glad that he finally got what he deserved, at least in part. That was the only fist fight I had after grade school.

After I had been in the bank about a year I enlisted in the Army because "World War I" was going on in full force and I was subject to being drafted. I enlisted directly into a specific Company at Fort Dodge, only a few miles from home, and where my former roommate at Grinnell College was stationed; I became supply officer for the Company where he was mess sergeant. That made a good combination for us; he gave me a good meal when I needed it and I saw to it that he received special treatment for uniforms and other clothing, blankets, etc. I enlisted in May 1918 and the Armistice was signed the following November 11<sup>th</sup>. But since I had attained some knowledge regarding the maintenance of supply records, they kept me in the service for six months longer, until May 1919, to help also in mustering out the men who were coming back from overseas. The American Legion was organized shortly after the war ended; I helped to organize the Post at Grimes. I have been a member of the Legion for more than 50 years. After the Armistice the president of the bank had been trying persistently to get me released on the grounds that my services were needed at the bank. But the U.S. can't be hurried.

Shortly after returning to the bank I joined the Masonic Lodge; both the president and the cashier were members. I was quite young (one must be 21 to join) but found it to be an interesting experience; it broadened my acquaintance considerably. The Masonic Lodge is not an ordinary lodge. Applicants are very carefully chosen, and any one member can keep any person from being accepted for membership. Its objectives are lofty and religious. I took the first three degrees (the basics of masonry) within a comparatively short time. That entails committing much material to memory. A couple of years later the president of the bank asked me if I would like to go higher in masonry, as he and the cashier had done. They were 32<sup>nd</sup> degree masons. He offered to pay the cost (\$150.00) if I cared to go on up to the 32<sup>nd</sup> degree. How could I refuse? There are two routes either one of which a third degree mason may take to attain the 32<sup>nd</sup> degree, the York Rite and/or the Scottish Rite. The York Rite entails more history and pageantry and the Scottish Rite is more concerned with moralism and religion. I took the Scottish Rite; it took me three days and nights, and I found it to be very impressive. A couple of years later I joined the Shrine which was founded more as the playground of Masonry. But now it has developed into a very large and effective charitable organization; nationwide it operates a large number of crippled children's hospitals. I have been a mason for over 50 years.

At this juncture I think I should make mention of an incident that left a rather profound imprint on my young mind. The impact of it left me a bit stunned at the time it occurred; but since then it has caused me to become a bit disenchanted about the manmade facets of some religions. I see man embellishing his so-called religion with his own rules and regulations which I feel sure God cares not one whit about. To me an abridged definition of religion is what we do

to and for others; that is approximately what Christ's teachings amount to. God is concerned about his people, and that is all people, and wants us to do for each other. The incident to which I now refer occurred when the pastor of the Lutheran Church at Grimes learned that I had joined the Masonic Lodge and came to the bank one day to see me about it. When I admitted in the affirmative he told me that I could not belong to a secret organization and at the same time continue a member of the church. He was of the old school of Lutheran ministers, very autocratic, and became incensed when I asked him why. He gave me a very terminal answer to the effect that the Synod and he decided those matters. Then came to my mind the answer he had given to me in confirmation school as why an unbaptized child could not be saved - another very terminable and dogmatic ruling, made by man. I then reminded him that St. John's Lutheran Church in Des Moines did not subscribe to that ruling. I had been going to that church occasionally and liked it very much; it had a much more sophisticated membership and was a thriving institution whereas the Grimes church was struggling for its existence. I shortly moved my membership to St. John's church. My sister, Helen, and her family are members there now.

The great World War was ended on November 11<sup>th</sup>, 1918 (now Armistice Day). Our country, and in fact most of the world, had been thrown into a terrible political, economic and moral upheaval. Prices during the war had gone up astoundingly and inflation had become rampant throughout the world. Most of the European countries were bankrupt. Our country had begun to feel the after effects of the war in a sad way. The farming industry was the first to feel the cutting edge of falling prices and values; this reversal of trends held on all through the 1920s. Land prices fell sharply. Many farmers lost their farms. My father and I had bought land and we lost practically everything we had. We bought the land because the officers of the Grimes bank had urged us to do so, use our credit. But I have never held any ill feelings toward them; they did what they preached, and they lost all that they had. It was all a matter of ignorance and misplaced confidences. (That was when I made my first resolution to learn more about banking or get out of it; I went to night school in Des Moines and took all of the courses offered by the American Institute of Banking.) To add to the debacle worldwide situation the stock market crashed in 1929. People who had not lost heavily in land now took tremendous losses in securities; everyone as hurt directly or indirectly. Very few people had any money, cash. Many, many people lost their jobs. (How grateful I was and still am that I was never out of a job from the time that I first went to work.) During that great and terrible economic depression there were bread lines in all of the large cities. Even professional people and business executives lined up for food. Some could not even pay their utility bills. There were no welfare agencies in those days. Banks closed their doors by the hundreds.

People were withdrawing their deposit funds from the bank because they lost confidence in the banks in general. As more and more banks closed, more people lost confidence in their bank where they did their business. As more and more banks closed, it became more and more difficult for those still open to remain that way. It was a chain reaction, but it was logical human behavior. The people did not understand what was actually going on or how long it would continue. What people do not understand they do not trust. Some new banking legislation was badly needed to give the banking officials power to do much more than the current laws permitted. That finally came, but only after a major climax of the devastating forces.

While these major difficulties were going on the Grimes banks were not exempted. In 1922 the man who had been a conscientious cashier for more than 10 years and had built up the bank to a creditable size decided to go to greener pastures, he went to Des Moines. I was then only 25 years old, and as the directors thought, a bit too young to assume the cashiership. So they hired a man about 40 years old, from a bank in a town about 20 miles distance. The president was advancing in years and did very little actual work in the bank by this time. By that time I had been going to night banking classes in Des Moines for the last few years. In fact I completed all of the classes offered by the American Institute of Banking, organized and operated by the American Bankers Association with headquarters in New York. I felt that I got a lot out of those classes, especially the 'Credits' class which was taught by a William Brandon who was very knowledgeable on his subject, being a university graduate and having gotten his practical training at one of the large New York banks. I felt that I learned much from him, from fundamentals on up. He was the best credit analyst I had encountered to that time. He made you learn it and take it home with you. The basic courses I took were also very helpful such as "Federal Reserve Bank Functions", subjects of Deposit Structures, Capital Structures, etc. By this time I was having some contact with the bank examiners when they called to make examinations of the bank, which was about twice a year.

The new cashier had a difficult time from the very start. He had never actually been in charge of operating a bank, and did not understand the basics well enough. General economic conditions were continuing to worsen throughout the country. Our bank was gradually getting in a worse condition, I could tell that by applying the knowledge I had acquired in the banking classes. Experience in the "Credits" class really came to the fore. I kept making up comparative statements of condition of the bank from time to time, at least once a month. I could detect the growing debts of the bank and also its customers. The bank was borrowing heavily from the Des Moines banks, so it could make loans to its customers, loans that were not being properly secured. My conscience would not permit me to let things go on as they were then trending. I told the president about my thoughts, showed him the statement I had prepared. He believed me and called a meeting of the board of directors to which he did not invite the cashier. At the meeting he asked me to explain what I had related to him about the bank's condition. I told my story to the directors, and ended it with the statement that my conscience would not permit me to continue with the bank, although I did own a number of its share at the time. They accepted my explanation; they saw the light. They, in brief, asked me if I would stay if they dismissed the cashier. My reply was that I would continue on if they guaranteed that I would be held blameless in the event that the bank did not survive; that my presence at this meeting would not be held as the cause of his dismissal but that worsening condition of the bank would be given as the reason for the making of the change in management. They promptly agreed to my terms and dismissed the cashier at the end of the month. I felt sorry for him, he should never have tried to be a banker; he knew very little about the profession, but his wife was wealthy. (One of the profound things I learned as I went along in the banking business was that too many banks were owned and operated by men who had financial means but insufficient knowledge of the business. The fact helped to contribute to the acuteness of the then existing depression.)

So, I became cashier and the executive manager of that bank at an unusually young age. I well knew that the recent cashier had made many unsecured loans which should have been supported by mortgage, collateral or guaranty signature. My immediate decision was to go to



work hard on that deficiency. When those loans matured I would not renew them except with adequate security. I drove hard on that for a number of months, and at the same time I required good security on all new loans unless I knew that the borrower represented means to pay the loan at any time that he might be called upon to do so. I reduced the bank's borrowing at the Des Moines bank by a tremendous amount within a comparatively short time, and eventually almost retired it in full. Meanwhile, general economic conditions continued to become more aggravating. The next time the bank examiners called they were amazed at what I had been able to accomplish by improving the condition of the bank and they told me so. But there were a number of loans which the former cashier had made (and should never have been made) on which I was unable to get security, at least in adequate amounts. Usually the borrower did not have the security to give, there were very few cases of unreasonable refusal. These unsecured loans of 'doubtful' classification aggregated about the capital structure of the bank. After much mental agony and concentrated study I conceived the idea of proposing to our directors and shareholders that we merge our bank with our competitor bank by letting them take over our deposit liabilities which practically equated the amount of our good notes. Then what we would have left would be the poorer notes which for all practical purposes equaled our capital structure; our shareholders could salvage what was possible from the poorer notes, and at the same time avoid a shareholder's double assessment liability which the Iowa banking laws required. The competitor bank was having its own problems, but in conference with them I explained that in addition to increasing the size of their bank and consequently its earning potential, they should certainly reap an improved image in the community by taking up the proposal. This they did rather soon. We experienced no difficulty in getting approval from the state banking officials, which was a requirement for effecting a merger. The banking department of the state was being so harassed by bank failures that a merger of almost any kind was something to be welcomed. A few years later the merged bank had to be reorganized by a restoration of capital structure. But I think the way the matter was handled turned out to be best for the community, including both shareholders and the depositors.

When the merger of those two banks had been accomplished, I was ready to get out of the mess. Banking troubles were still rampant all over the country. But I did not know anything about any other kind of job (if there had been any), so I wanted some more banking experience. The examiner, Joseph Wanberg, who was working for the State Banking Department, of course, knew about the situation at Grimes and how I had worked it out. He contacted me shortly and said he had another job for me at Malvern, Iowa, located in the southwestern part of the state. I investigated and found out that the bank had some of the same characteristics that were encountered at Grimes. A workout proposition! But it was a job and it looked interesting as an experimental project. I was promised that if the thing turned out to be an impossible situation I would be exonerated of any liability or blame. I was to be paid \$275.00 per month which was not too bad in the light of all things in those days. The first thing I did was to ask the directors to dismiss the cashier who had been running the bank. I suspected that he was unfortunately involved in a farm which the bank had had to take over a few years back; time proved me to be right in that appraisal. Anyway, he was elderly and was not too reluctant to be released, he was tired, and incompetent as a banker. I then began to look for a good assistant as this was a much larger bank than the one at Grimes. The examiners promptly found the right man for me, Ferdinand Kruse whose family resided in that part of the state and whose brother was running a good bank in a nearby town. Ferdie was a few years younger than I was; he was married and had

a child. His wife's name was Gertrude (Gertie). He turned out to be trustworthy and competent help, with a good sense of humor. (He later served as Best Man at our wedding.) He and I had many good time working together there – many hearty laughs about the president's handlebar mustache, the bank's inactive vice president who virtually slept with his horses (he was a bachelor), and some of the flimsy excuses some of the bank's borrowers tried to give for not wanting to secure their loans properly, such as, "my wife won't let me", or "my lawyer won't let me", or "I have to buy a new car". We called on one farmer sharpie one fine afternoon, regarding his \$1,000.00 loan which had been so neglected that it had become outlawed by statute. After exchanging a few pleasantries we presented his note and stated that we would like to get something done about getting it secured or paid. He replied to the effect that the note was of no effect anymore. But he bragged that he could pay it now if it were still in effect. Sometime later Ferdie and I called on him again. He laughed at us and told us we were wasting our time and his too. We talked and kidded with him for a while and complimented him on the good appearance of his crops. Upon getting ready to leave we asked if he would sell us a couple of chickens, to which he consented. They came to \$2.40. I suggested to him that he be a good sport and at least pay that much on his dead note. He laughed and said "OK, go ahead!" I said that we would credit that amount to his note as soon as we got back to the bank. But he did not realize in his smartness and arrogance that by paying the \$2.40 he had legally recognized the obligation evidenced by the note and reinstated the debt. He had to pay the note in full.

Doctoring banks (I was sometimes now referred to as a bank doctor) in those days was always interesting even if it occasionally necessitated performance of some unwholesome chores. A hot-headed farmer who had moved to this area a few years before from the hills of Kentucky, owed the bank \$2,000.00 on his note, unsecured. He was refusing to pay without giving us any valid reason except that he would pay it when and if he got the money. He had expensive cars and tractors and other machinery sitting around the farm yard. One day Ferdie and I decided that we had had enough from that fellow and to do something about it. We drove to his farm and found him at the barn. We tried to visit with him in a friendly vein, exchanging the ordinary trivia, but he was not friendly except to reply very briefly to our questions. When we confronted him with his note he immediately became very angry. He began to talk loudly and veiled physical threats. I became scared and was thinking very fast as to strategy. He finally picked up a neck yoke and started after us. He came up to the car door threatening and cursing. Ferdie and I did not know what to expect next. I tried to calm him, stating that we had merely come out to discuss his note with him, whereupon I laid the note on the car seat. He then did what I thought he would, he grabbed the note and walked away with it. We immediately drove to the County Seat and related to the States Attorney what had taken place. He prepared a warrant against him for extortion and assault and battery. He told the sheriff to serve the warrant, arrest the man and bring him into town. Extortion then was a severe charge, and the man was placed in jail. Ferdie encountered a number of tough cases in connection with getting the bank's loans properly serviced. Some of the lawyers in the town resisted our efforts. But we worked hard and accomplished much for the benefit of the bank's shareholders and depositors.

After about a year's efforts I felt that we had the picture of the bank's conditioned pretty well corralled. It was bad. The bank had acquired title to a nearby farm through a foreclosure action a few years back at a cost which was too high. We found that after title was acquired the officers of the bank would take pleasure trips and charge the costs into the carrying cost of that

farm when those costs should have been charged to expenses that is if they were authentic which we decided they were not. Other irregularities were also discovered. I questioned in my mind whether the bank was solvent, after I finally got its true statement put together, it depended somewhat upon values, some of which were very difficult to determine. I called the examiner's headquarters and gave him my findings. He asked what I planned to do, and my reply was, "turn it over to you and leave soon." The State Department of Banking took it over.

I have always had a friendly regard for Ferdie Kruse and his wife, Gertie. They were very kind to me during the year I was at Malvern; had many good meals and laughs at their house. He was excellent help at the bank. Geography and inconvenience prevents our seeing each other very often; we exchange greetings and letters at Christmas time. I hope to see them again someday. He was a very good Best Man at our wedding.

It was now 1928, and I went to the examiners again for a job. They immediately pointed me to Nashua, Iowa where a bank was being reorganized. I went there, met with the directors and learned that the reorganization was pretty well along. It was a similar situation than I had hoped to get into this time. And it appeared that the prospects of building up the bank rather rapidly were fairly good. So, I accepted the job. It proved to be a propitious move for me, especially since I met Bessie Leah Troutner there; whom I married 16 months later, on August 14, 1929. She was teaching school there at the time. Her family had lived in the area for a couple of generations and was active in the affairs of the community. Her uncle was a director of the bank, and her father was a member of the committee appointed to liquidate the assets of the closed bank, assets which were refused by the newly organized bank. I resigned my position of cashier after being there for a little more than a year, largely because the members of the Board of Directors were inept in the annals of banking, and the place seemed to offer quite meager future potential. Another important contributing factor to my leaving was that the directors voted to pay a 10% cash dividend to shareholders at the end of the first year of operations, an almost unheard of procedure; for a few years at least a newly organized bank reserves it's earnings to enhance capital structure. Furthermore, although paying a 10% dividend they refused to give me a raise in salary. However, I met some very fine people there, and certainly have no regrets for having spent a year of my young life there.

Bessie is the second oldest of Homer and Tessie's five girls, I had first choice. On Bess's birthday anniversary (August 14, 1929) she and I were married at The Little Brown Church in Vale, an institution which had been organized by some of the very early settlers in the area. The quaint little church and the hymn entitled, "Oh Come to the Church in the Vale", was written by one of the first pastors of the church, have contributed greatly to the wide popularity and favorable reputation which the church enjoys. It is the site for many marriages, in fact, hundreds every year; in the month of June the brides and grooms wait in line to get their services performed on many days. Bess and I went to Chicago and Milwaukee for a honeymoon. Later that fall we drove to California, thinking that we might want to live there. But the business situation there looked unsteady to me; they were then depending on too much money to come from other parts of the country to sustain a healthy economy. Also, I guess we were both very much devoted to the ways of life in the Midwest, where I was quite certain I could get a desirable job as a result of my reputation with bank examiners.

Shortly after returning home from our trip I met with Joe Wanberg in Des Moines and talked with him about a job. He was examining the Iowa-Des Moines National Bank at the time, and he had told me to come to him if I ever found myself in need of something to do. He was a very good friend to me for many years. He told me there that in his opinion I was “examiner timber” (the exact words he used) and asked if he might submit my name to the Chief National Bank Examiner of the Seventh Federal Reserve District with offices in Chicago. I gave my consent and in about a week I received a telegram from the Chief confirming that I had been appointed an Assistant National Bank Examiner for the Seventh Federal Reserve District, with headquarters in Chicago. The Seventh District involved all of Iowa and large portions of Illinois, Michigan, Wisconsin, Indiana and being subject to transfer to any other district in the United States. That was in the spring of 1930. I worked in the Chief’s office in Chicago for a few weeks by way of getting started in the job, learning the operations and routines. I soon found myself being assigned with crews examining outlying Chicago banks. Later I helped with crews which examined the large downtown banks. I was feeling somewhat like a swallow in a blizzard. Few things to be learned were coming at me faster than I had ever experienced. Everything was on such a much larger scale than I had been accustomed to. But I had some good friends on the examining force; they were for the most part men whom Joe Wanberg had posted to hold my hand for a while until I became acclimated on the job. Of course, when Joe was in town he piloted me. While the work was tremendously interested, it was also somewhat exhausting because it was new to me, and also because we had to work such long hours as a result of so much banking troubles around the country. Then on the morning of May 23, 1930, I received an anxious telephone call from Bess at Des Moines where we had rented a small house. She was on her way to the hospital to get our first-born, turned out to be a beautiful daughter. I immediately asked the office for a few days release to go to Des Moines; consent was promptly given, especially after I explained that our first child was arriving. The office made arrangements to have the Des Moines banks examined the following week and told me I could stay there until then, and then join the examining crew; so I received a kindly break by getting to be in Des Moines for more than a week. I took the train (there was no scheduled flying services in those days) and it took the whole day to make the trip. What a long day; it seemed that that train just poked along. But, actually, what a blessed day it was. I found mother and daughter getting along fine. We named her Barbara. What a beautiful baby she was, and she has remained that way all through these forty-two years, beautiful physically as well as in character, a cause for much parental pride. And now she has been playing the role of mother to two wonderful children: Jonathon, now a college freshman and Laura, a high school freshman. She has always been a source of much pleasure to her parents, showing a deep understanding of the real meaning of life. And that goes for her choice of a husband, a better one she could never have chosen. Their family life is superb in all respects.

I examined national banks from 1930 to 1934. Those were rough and tough years for banks, bankers and the examiners as well. The industry was experiencing an upheaval such as had never been known in this country, especially during the first two years that I was on this job. During the latter two years things began to clear up somewhat. I witnessed many bank closings, resulting in many thousands of people losing all or much of their lifetime savings, and also bank stock holdings. During these years my experiences were exposing me to more opportunities to learn about banks than I could fully comprehend. It was all so interesting and exciting even though it had its painful aspects to those who were taking large financial losses. In addition

making examinations I learned to write up "Receipts", as they were called, covering the assets of closed banks for delivery to the Receivers whom Comptroller of the Currency appointed to liquidate those banks. For a three months period I also examined banks (both State and National) which had applied for coverage under the new Federal Deposit Insurance Corporation, a government agency created by Congress in 1932 or 1933 to insure the deposits in commercial banks. Much responsibility attached to this work because the examiner had to recommend the subject for the insurance, or reject it; the responsibility was also enhanced by reason of the fact that

The owners of rejected banks sometimes appealed the examiner's finding to their congressmen in Washington. Then politics became involved and the examiner had to defend his verdict. I experienced only one such case and that was the bank at that time in Birmingham, Michigan. The examiner's office defended my report and required incursion of more capital structure in the bank. I was learning much and fast as to how banks were structured and how they should function by way of management. I was witnessing the remnants of closed banks and helping to structure new and reorganized banks. Probably the most outstanding thing I learned in this work was that there is no substitute for "conservatism" in the banking business; one just had to be conservative if he was going to be happy in that line of business. I made examinations in all of the five states which have territory in the 7<sup>th</sup> Federal Reserve District. The story was the same everywhere (in either State or National banks); the condition of the bank was no better than the quality of its management. My experience taught me much also about the psychology of people; some could take their losses quite gracefully while others could not.

One aspect of bank examining which I did not like was that it kept me away from home too much of the time. It involved much travel. A couple of years after I had been working on this job, and after I had traveled with several of the top-grade examiners quite a lot the Chief Examiner at the Chicago office decided that I was ready to take the examination at the office of the Comptroller of the Currency at Washington, DC to try for a full-fledged Commission. He made the arrangements to go there where I stayed for three days taking written and oral examinations. I passed them and received the Commission shortly after, together with a sizable increase in salary. I was then assigned in charge of the District Office at Waterloo, Iowa.

As time went on economic conditions took on an improved complexion in 1933 and 1934. Some new banks were being organized and some closed ones were being reorganized by eliminating objectionable assets and supplying renewed capital structures. The climax of the banking troubles had come with the closing of all Detroit banks on one day by order of the Comptroller of the Currency, an officer in the United States Treasury Department. I was at Detroit for several weeks at that time. I moved my family there where we lived in a very lovely apartment for an unusually nominal rental. Over one long weekend a very large staff of examiners classified the assets of the large Detroit banks. Representatives of the Comptroller's office came out and made a determination as to what would be necessary to reopen the banks. Some wealthy industrialist came up with the cash to meet the requirements and the bank reopened. A pattern seemed to have been set for banks that were still having difficulties, and more rapid progress was made from then toward getting the problems solved.

One day early in 1934 David Reimers who had recently taken the position of President of the newly reorganized Livestock National Bank of Chicago, called me at Waterloo and asked if I

were about ready to get out of examining and take a bank job again. Dave had been a top-grade examiner out of the Chicago office for some years, and it had been my privilege to work with him on a number of examinations during the past four years, which was to my great profit. In my opinion he was the most knowledgeable examiner in Chicago. When he was assigned to examine the very large First Wisconsin National Bank of Milwaukee, he chose me to be his first assistant and to take the report. We were there for a couple of weeks with a large crew, and then for four more weeks discussing the assets of the bank with its officers and writing the report. I first met Dave while on assignment in Des Moines in 1930. He was a very helpful business counselor to me these many years. In the telephone conversation he told me about the First National Bank at Lincoln, Illinois which was seeking a man to head their newly organized bank (First National Bank), and that wished to talk to me. Several days later I went to look over the situation. Lincoln is located in good farm territory, and the town of about 15,000 population had several small industries. After some negotiations I accepted the position with the title of Executive Vice President and Chief Executive Officer. The new bank opened in April 1934, after the Federal Reserve Bank of Chicago had approved me as chief officer; the Federal Reserve Bank had refused to confirm W.H. Berger for that position as he had been an officer in the old bank before it had closed. He was named cashier of the new bank.

The new bank grew rapidly and prospered in earnings. But after being there for a comparatively short time I discovered that there existed a coalition within certain members of the board of directors who were disappointed that Berger was not permitted to be the chief officer; they were old crony friends of his. In fact, that clique was opposed to having any stranger come in as head of the bank. This, of course, was disappointing to me, to say it mildly. It was unfair. They had asked me to quit a good job and come there to get their bank open. My many efforts to get the situation reconciled were never very successful. But the bank continued to prosper beyond my expectations and Bess and I made many friends there. Also I had promised the Federal Reserve Bank that I would stay there until the bank attained a sound and acceptable condition. That I did. I tried to keep happy despite the unfair treatment. I did quite a lot of work for the Illinois Bankers Association by serving on some of its committees (I was chairman of its Bank Management Committee for two years); was State Vice President of Illinois for the American Bankers Association in 1937; made some speeches at Group Bank meetings around the State, and also addressed the Illinois State Bankers Association at their conventions on two different years. These activities were pleasurable and brought me much favorable recognition. I feel sure that I could have been made President of the State Association if I had wished to devote the time to it; it would have involved quite a lot of travel and speech making. I made many fine and lasting friendships in and as a result of these activities. Also, in 1938, '39 and 1940 I attended the Bankers Graduate School at Rutgers University, New Brunswick, New Jersey, conducted under the auspices of the American Bankers Association of New York City. This entailed spending two weeks or residency work each year, and then submitting replies to questions and problems by mail during the rest of those years. This was a very interesting diversion for me. (The directors refused to pay any part of my expenses in this venture, and I had to use vacation time for the residency work.) Most of the men attending the school were in the upper echelon officer staffs, and had their expenses paid by their banks. A requirement of the third year was preparation of a thesis on a subject approved by the school. I wrote mine on the subject of "Real Estate Mortgage Loans as Commercial Bank Assets." The great objective among the men was to get their thesis accepted by the library of the American Bankers

Association in New York. It was an unforgettable thrill to find in my school mailbox one morning a slip notifying me that my thesis had been accepted by the library, and it is still there. I did much research on that subject. It was a lot of work, and Bess helped me a lot of evenings. I had fifty copies printed, many of my friends had asked for one while I was writing it. I have only three copies left. (Anyone want a copy?) I still very well remember the grueling panel examination (oral) by three real estate mortgage loan experts, which was required at the opening of the third-year session at the school. But it all served as a very enjoyable diversion in those particular days.

On September 16, 1934 our second Blessed Event took place – our first son was born at Deaconess Hospital in Lincoln. He was a handsome and wonderful son, always responsive to duty and our wishes. He was by nature a gentle and kind person, and gave us no parental problems, always trying to live an exemplary life, possibly too much so subjected, for his own good. David was with us for thirty years and left a truly fine family heritage. His three lovely children, Cindy, Mike and Bobby together with their lovely mother, Maryan, shall always remain an inspiration of love and spirit to Bess and me. It is so consoling to know that they are again a part of a happy family, all carrying on most admirably. That contributes to the happiness of all of us.

After being at Lincoln for eight years and making many friends and after the bank had attained a very respectable stature, not only in the community, but also in that section of the state, I decided to leave there. David Reimers, then still president of the Livestock National Bank in Chicago, offered me a position of vice president of that bank. It was only after a number of telephone conversations and visits with him at his office (at his request) that I finally made the decision. He raised his offer of salary each time we talked; his last offer was nearly twice what Lincoln was paying me, which was very little more at that time than what they first paid me to come there in 1934. Many friends there expressed regrets at my leaving Lincoln; some were concerned about who would run the bank. I must say again that Dave Reimers continued his firm and helpful friendship through all of our years of acquaintance. So, in midyear 1942 I took my little family to live at 300 South Stone Avenue in La Grange, to be there for the next 23 years. I had numerous responsibilities at the Livestock Bank. By its very nature it covered various facets of the banking profession. Besides the normal business in the city it had accounts from more than 200 banks in the various country towns, principally in Illinois, Iowa and Indiana. So, the assets and liabilities both were quite diversified in character. Despite these conditions, the employment conditions were congenial, and I liked the work very much. I had to do some calling at the country bank correspondents, but it was pleasurable and my talents were rewarded by almost yearly advances in salary. One day in the summer of 1944 while in the country calling on banks, I stopped at the First National Bank of Galva, Illinois. I found that the bank was experiencing some managerial difficulties, and that the bank could be bought. I thought about buying it myself as it did not require a great deal of cash. I still liked the country; I guess that was one reason I stayed at Lincoln as long as I did. While I had the matter under consideration (I had not mentioned it to anyone) a memorandum came from Frederick Prince in Boston (Mr. Prince owned the Livestock Bank) to Dave Reimers stating that he wished to buy fifty country banks (he was tremendously wealthy). When Dave showed the memo to me, I told him about the situation at Galva. His response was to the effect that I should have first opportunity to buy it. However, if we let Prince take it I would probably be given the responsibility of supervising

the bank as a director and agent for Prince, but that I would receive additional compensation for that. I liked my work where I was, so after considering the matter for a few days I finally decided that I would stay where I was happy, take the additional compensation and let Prince have Galva. I negotiated the purchase for Prince and attended directors' meetings for many years, in fact, until Reimers bought the bank from Prince for a much higher price than Prince had paid in 1944, the bank had done well. I had acquired some stock in Galva and I sold it to Dave when he purchased Prince's stock which was in about 1963, when I was at retirement age and thinking about doing that. My experiences at Galva were enjoyable.

Another enjoyable facet of my work at the Livestock Bank came during my final few years there. Our bank was named Executor under the will of Clarence Tarbet who passed away sometime in 1962. He was a very wealthy man who had been a customer of the bank for a number of years; he always came to me to transact his banking business. I was the appointed officer of the bank to take care of his estate matters (about three and half million dollars). Tarbet owned a large trucking firm in the Midwest and several large ranches in Colorado and Wyoming with many cattle on them. He also owned real estate in several major cities in the Midwest. The will called for liquidation of most of the fixed asset properties. Tarbet left a wife and three daughters, two of them married. Reimers asked me to stay on at the bank and get the probate of the estate going before I retired. I was very pleased to do that because the job was a genuine challenge and offered some pleasurable travel, on a full expense account. I took Bess with me on many of the trips because Bill was by then away at Washington University at St. Louis. Each year (two) we went to the ranches for the annual roundups and stayed in the ranch home of the Tarbet's at UM Ranch near Buffalo, Wyoming, located at the foothills of the Big Horn Mountains. It was surrounded by gorgeous scenery. The roundups occurred in the latter part of October. Bess and I stayed there for 2 weeks each year, and had a great time. Even though I was busy quite a lot of the time I did manage to have some leisure time to enjoy the area, and incidentally go deer hunting each year. There were lots of deer on UM Ranch. I took Bill with me one year, and he also shot a deer; the antlers are still hanging in our garage. He really enjoyed that, I am sure, and it was a real pleasure to have him with me. He had no difficulty running around those Wyoming hills, in their rare atmosphere. I could not do much of that anymore without getting out of breath. I finally got most of the Tarbet properties sold during the two years that I worked on them; sold UM Ranch for \$800,000.00. I got far more for all of the real estate holdings than the local real estate men said I could. But Mrs. Tarbet was a person whom no one could please, however, I always got her consent for each sale (I did not have to do that under the terms of the will), but she never expressed satisfaction nor extended a compliment. She loves money; she once said to me, "what else is there" when I was discussing some matters with her. Well, anyway she now has plenty of it to wallow in.

(I prepared some notes for use in typing this treatise and some of them inadvertently got out of order; this paragraph should have been inserted some time back. I am sorry, Bill.)

Our dear Bill came to us as the third Blessed Event, on February 3, 1943; born at MacNeal Memorial Hospital in Berwyn. He was a beautiful baby, and is still beautiful to Mom and me, how about you, Joan? His energies and aggressive searching for knowledge and truth have already carried him far, even as he carries on to ever more noble attainments. The present finds him in a position where his searching may provide adequate outlet for his unusual mental



acumen. His general good humor and scholastic attainments in school have afforded Mom and me much pleasure and amazement. Where did you get it, Bill? From who is much blessed, much is expected; I know you accept life on that premise. Your perspicuity carried through even in choosing a wife.

I retired from the Livestock National Bank as of June 30, 1964 under its Retirement Pension Plan. I was feted at a banquet held at the Saddle and Sirloin Club on that evening, and was presented with a television set which still functions. I then held the position of Senior Vice President and Director. When I was having my young dreams on the home farm I would have settled for less than this, and for mention in "Who's Who in the Midwest". My greatest happiness derives not from these attainments, but from reflection on my very wonderful family, all of whom are comfortably situated and are using their lives in constructive pursuits. Those are the things that make for true happiness to parents.

Actually, I retired twice. Shortly after retiring from the Livestock Bank, I received a telephone call from the President of the La Grange State Bank asking me to come to his office. I had known him for many years in a formal sort of way. He asked me to help out his bank for such time as they might need me, in order to locate a young man to head their Trust Department. This immediately seemed that it might afford me a good opportunity to taper off my activities from a full-schedule job which mine was at the Livestock Bank to the very last, to something less strenuous. It proved to be exactly that. I never worked with a more kind and considerate group of people. The experience turned out to be a genuine pleasure. The job lasted for nearly two years, much longer than originally anticipated. Those two years allowed me to complete exactly 50 years in the banking profession. When I retired from that position the bank feted me at its annual Christmas Party at the La Grange Country Club. The Secretary of the Illinois Bankers Association was there and presented me with one of its "50-Year Pin" honors. Dave Reimers and Harold Jonston attended as former long-time business associates of mine. I shall be eternally grateful to the Officers and Directors of that bank for affording me just what I needed to slide into as much more leisurely kind of life, and have repeatedly expressed reciprocal gratefulness for helping them when they were in need.

The large old house at 300 South Stone Avenue, which served as such a fine family home, was found to be too spacious for just Mom and me after we had no more chicks at home. So, we sold it and moved to 7960 Bielby Lane where we now reside in a comparatively small one-story ranch type house. We love it here. The sizable lot here provides ample space for me to carry on my rather extensive garden projects, both flowers and vegetables. In the course of carrying on these activities I get my physical exercises, as well as the satisfaction of assisting nature to function, in both the aesthetic and the practical. But I have found that nature actually does not need much help. I belong to the West Suburban Men's Garden Club. At its show last fall I took eleven ribbons on the flowers and vegetables I entered in competition.

Also, I am a member of the Board of Directors of the local Mental Health Center, La Grange. That agency is growing each year, helping ever more and more people. Its annual budget now approximates \$250,000. A Tax Referendum to provide funds may become a necessity soon as its present financing poses a genuine problem each year.

For further diversification of interests I take a minor part in some local politics, primarily to help ward off the ever busy tentacles of the corrupt Chicago machine trying to take us over so they can load us with the same unreasonable tax burdens which the residents of Chicago are suffering under. We in unincorporated Cook County are trying to maintain the status quo, one of the principal reasons most of our residents moved to this area, to avoid becoming puppets of corrupt politicians. This interest also affords me a better knowledge of the functions of the government, and gives me a feeling that I am donating some effort in an important matter which I neglected while I was working and failed to become involved.

Laurie, this about brings me up to now, so I shall suddenly end this story of how a very green country boy made it into the Chicago business world. Your request for information regarding my life is what inspired me to write this for your reference in preparing an autobiography in an English assignment. Probably much of the material is extra-curricular for your purpose (especially the business commentary) but for my story it was essential; so, please use the parts that you find useful. I included the geological information mainly for your own personal information, and for the members of your family. If you had not requested this information I probably would never have brought myself to this task. I hope you will enjoy using it as much as I have enjoyed the retroactivity of my thoughts.

(I have typed this myself, of course, so I beg your indulgence with regards to the numerous errors.)