

**FRANK BROCKE**

**Interviewed by:**

**Sam Schrage**

**Oral History Project**

**Latah County Museum Society**

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# I. Index

## FRANK O. BROCKE

Troy, Kendrick; b. 1906

President of First Bank of Troy.

1.5 hours

minute page

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- 14 6 Tradition of farms passing from father to son is dying. Increasing size of unit needed to farm. Decreasing turnover of farms. Low investment for farming in early days.
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- 00 14 The men who lent money to keep the bank going were oldtimers. Mr. Green felt that the bank should not have to stay closed to wait for the examiners. The examiner's philosophy of doom. Confidence of people in the bank during its closure - there was no run on savings.
- 09 17 Reassurance of local people who felt beaten by the depression. Building a reserve account instead of paying interest to shareholders. The Troy bank didn't make as many bad loans as other banks. Competition between banks hurt them. Differences between farming and payroll economics. Most local banks which failed did so before the Holiday.
- 20 22 Depression not felt in 1929, because local people didn't invest in stock market. The depth of the depression was 1933. Tremendous contribution to roads and buildings from public works program. Ole Bohman and Frank Green bought and operated a department store and carried local people.

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	27	24	Fear of local people that they would go under. The bank never forced anyone to quit, although sometimes people did so on their own.
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	00	24	He becomes clerk of the school board when it's necessary to sneak through a disputed bond issue for building a grade school. Consolidation of rural schools in Troy; pressure on politicians to improve roads for buses. Countywide consolidation - creation of Whitepine School District. Limitations of one-room schools. State aid was based on daily average attendance. Role of state and county superintendents in schools. Budgeting for school operation.
	16	32	He observed Ole Bohman's tolerance and fairness with people. He made his own decisions in the bank from the thirties on. His inability to give up making decisions for himself helped bring on the difficulties that led to his leaving in 1973.
	24	35	How Ole Bohman went into banking (1915). He was conservative. He buys a watch from a salesman. He often gave less than was requested, unless it was for a funeral. Closeness of Mr. Bohman and Mr. Brocke. They loan money to a staggering drunk, who they know will pay it back.

with Sam Schrager

April 26, 1975

## II. Transcript

SAM SCHRAGER: When we stopped we just brought you up to where you got started workin for the bank here, and I was wondering what the policies were like when you first came here--what the Bank of Troy was doing.

FRANK BROCKE: Well, that was in 1926 and the policy was a lenient policy. I noted in particular <sup>that</sup> as I stayed and learned the people and the policies, why <sup>there</sup> <sup>was a</sup> very much of a tendency to pay the interest on the notes or the rents they called it--the Swedish people called it rents, which was interest. And they would pay the rents on the note with the idea that it was going to be automatically extended for another year. And to pay a loan off, especially a mortgage was a rare thing because they never paid on the principle, they only paid the rent or the interest. And of course that went on up into the thirties after the Depression and the management more or less changed, and the policies changed. Why, we went to a policy of making 'em pay so much a year on the principle, and eventually they had their mortgages paid off. But it was a dormant--during the twenties and obviously in the early thirties it was a case of never payin' the note. And sometimes you wondered if they actually felt they probably didn't owe the principle as long as they paid the rent.

SAM: Well why was there that policy in the twenties?

F B: Well it was a tradition; it was a policy of the bank. And of course it probably was hard to pay it. <sup>And</sup> especially a mortgage because they got that money for the purpose of buying land or building a house and the margin of profit from which it had to be paid from was <sup>so</sup> very little that the farmer was not necessarily prosperous and consequently if he paid his interest he

probably was doin'<sup>it</sup> about as well as he could do, and nobody thought anything about it. But I can remember our banking department used to tell us that, don't you realize that this<sup>borrower of this</sup> farmer may think that someday he may never owe this, that he's payin' his interest, why that's all he's gotta pay. And it was a poor policy, there's no doubt about that.

SAM: Did it weaken the bank financially?

F B: No, no, no. They were so good and they were values of land--values was creepin' upward. Especially during the Depression of course there was no way to value a land because of the fact that there was no money to buy and land values went down. But that was no sign that it wasn't going to come back. As a banker you always felt that well, it's not going to be this way forever. And anything that goes down, as a rule, comes back up. And anything that goes up often comes down. But during the Depression values of land was unreasonably low, just as it is right now. The last three years they've been unreasonably high. And where we could see in the Depression of the thirties that we had to make a recovery and that landowners was going to be the first people to gain from it because of the fact that total the values were too low. And of course everybody improved their land; they improved their improvements and that all added to values. And over the period of time as we look ahead now, land that was valued at fifty, seventy-five and<sup>~</sup> hundred dollars an acre now is valued at four to six to eight hundred dollars an acre. So part of that is the result of inflation of course. <sup>But</sup> in those days it was just strictly the demand became <sup>as</sup> greater, people became more prosperous and had money, why that's what made the land values raise and go back up where they belonged.

SAM: You know when you talk about the twenties usually of if you read about the twenties it sounds like a time when there was a lot of prosperity. I mean the twenties were supposed to have been a high living time and then everything went boom. What happened here?

F B: Well, if you measure<sup>it</sup> by the times and the condition under which you lived, it



probably was good times under the twenties. However, it didn't take near the money to create prosperity. A man that was worth a couple hundred thousand dollars in those days was considered fabulous wealth. In other words, he was wealthy. And today in Latah County alone we have many, many millionaires. And so you've got to compare <sup>the</sup> conditions of the twenties and the conditions of the sixties or the seventies. And sure they lived, that dollar which is worth, what is it--forty-nine cents <sup>today</sup> and was worth a dollar at that time, all plays in valuations. And now certainly <sup>our farmers</sup> are prosperous, they live very <sup>very, very well.</sup> well. They have fine homes, just as modern as it is. In those days a farmer was not considered as such. <sup>If</sup> you saw fine residences, they were usually in the towns or the cities. Moscow had fine residentials, but the average farmer, he put his wealth in his equipment, in his farm machinery, in his horses and sometimes we used to say that the barn was far better than the house because that was his pride and joy was his barn or his outbuilding. And of course, your equipment, you didn't buy a plow maybe once in every twenty years. And certainly a walking plow was something you kept for a lifetime. Virtually that lasted and never wore out. The binder even more so. The life of a binder would probably never exceed more than eight to ten years--it used to last that long. And now a combine, the turnover on a combine is about four years. So a drill was a lifetime as a rule. They took care of it, and of course they never abused it in any way, shape or form.

SAM: What would you say that the situation of the average farmers around here was in the twenties? Did they have a lot of land cleared up? Were they doing well? Were they prosperous or just getting by?

F B: Getting by. <sup>Of course</sup> that was enough. If you got by, made a living, and paid your debts, you were considered as a successful operation. And of course, those, as a rule were landowners. To me, as I recall, the man that rented and

had to pay a third of his crop for renting it, and pay all expenses, as a rule, <sup>if</sup> he had a poor crop he did not make it. In other words he lost money-maybe one year he would gain; <sup>it</sup> back and the next year. But if he had one bad year, or two bad years in a row, <sup>as a rule</sup> it took him five to recover if it was possible at all to recover because of the fact that his machinery was wearing out, his horses were getting older, and yet his expenses went right on, <sup>And</sup> consequently his chances, <sup>Getting</sup> back to the landowners and the mortgagers, as a rule I would say at least sixty percent of the farmers' land was mortgaged <sup>in</sup> those days, in the twenties, even though it was good years, they still had mortgages on their farms. The Federal Land Bank played a prominent role in mortgages. The Prudential Life Insurance Company was active. Hancock was active in those days. And individuals: the Olson brothers, Nick and John Olson helped finance, and the bank of course carried a few real estate mortgages. But many, many farms were mortgaged, and you thought nothing of it. That was just taken for granted. And it was a slow process to get over that debt.

SAM: What were the terms of the mortgage <sup>g</sup> in those days. <sup>?</sup>

F B: Why in those days the terms would be twenty years. <sup>10 years</sup> The bank could not go on a ten year at a time. But it was made for ten years. There was nothing stated about that they were to pay so much a year. The interest was due each year, but the principle, many mortgages, if they took 'em out in 1920 and they <sup>were</sup> ran for ten years, they were the same in 1930. There was no arrangements made for people to pay on the principle which was a bad policy because of the fact that the farmer, if he was struggling, if he was breaking even, well all he had to do was to pay the interest, <sup>well</sup> that's all he did do because there was maybe three places for every dollar and that would be the last place he would put it because of the fact there was nothing forcing him to pay on his principle. And however, mortgage companies--Federal Loan--and those companies

always, they gave you a thirty or forty year mortgage, but they gave you a payment and that included some on principle. So you were liquidating that. But if you had a bad year, it was not unusual to send the interest and say will you extend the principle. And of course they were glad to do it in those days. Nobody wanted to foreclose if you were an honest, hard working person, and you got by.

SAM: What was the interest rate?

F B: The interest rate was all the way from five to six percent. I don't think there was any in my time that went over. . . Six percent was considered high. Because on your savings deposit in a bank three percent was normal, three and four. So there was a good margin.

SAM: Do you think that most of the farmers foresaw that they'd eventually be able to just pay off the principle? Or were they looking ahead that far?

F B: No, nobody looked ahead that far. There was exceptions of course. But as a rule, why, they wanted to but they couldn't. It was a case of not being able to. And then when the Depression came, why those that needed help, why the government had an agency--the Farm Mortgage Corporation. And they took the mortgages from the banks or whatever was necessary. Or if anybody was in difficulty you <sup>could</sup> go to the Federal Farm Mortgage Corporation. And I believe that was three percent interest at that time, three and four percent. And the bank or the person, you could take government bonds in place of the principle of the mortgage if you wanted to. And that was a very good set up. That was running in conjunction with<sup>t</sup> the federal land bank. But that saved a lot of farmers.

SAM: What about the amount of land that most farmers had cleared up by then? Were they still like sixty acres, a hundred acres, like that?

F B: A lot of small farmers, yes. I'd say a man that had three hundred acres

was considered a very, very big farmer--three to four hundred, which would be a good operation because he was just coming out of the horse operations in to tractors. But those that had, were bigger farmers were renting the land; they didn't own it. There was very few large landowners in this part of the county. We had lots of little people which was good, which was wonderful. We had lots of small borrowers which the bank lived on in those days.

SAM: Borrowers?

F B: Small borrowers. By that I mean a lot of people borrowed one and two and three hundred dollars where nowadays of course five hundred or a thousand dollar loan is considered small. In those days a hundred dollar loan was considered small.

SAM: Were there really very many renters as a percentage of the whole farm population here?

F B: I would say that the majority of 'em in those days were landowners. They were buying their land under contract or they were clearing it up, in other words, they were <sup>buying</sup> cut over land where the trees had been removed and they were clearing it themselves either by horses or dynamite which is a common thing. But yes, in comparison to renters and to landowners, the landowners was far in excess. I've heard statistics on the present operations in Latah County today, and this must be true all over the country. In other words, when I came to Troy those very people, a lot of those people sons are farming their land as of today. And of course, that was in 1926, that would be nearly fifty years ago, but that tradition of the father and the son is running out. In other words, the young generation don't want to farm, and it leaves the father with the land holdings and nobody to leave it to, nobody to take over. And since he is in that condition, he'd becoming old and

wants to quit but he has no choice. He doesn't want to sell his land. If he had a son or didn't have a son that's of course, nothing could be done about it. But if he did have a son and he was working in Seattle, there's no way to entice that young man to come back here and take over. But that's history, and I guess that's general.

SAM: Is the amount of land that you need to farm now a very big factor?

F B: Yes, oh a big factor. I contend that if you don't have at least five hundred acres it's impossible to start farming. And even that is becoming low. In the early days if you had eighty to a hundred and sixty that was a good farming unit. And as time went on that just gradually kept increasing because your outfit had to be in proportion to the amount of land you had because it took you so much basic. You had to have a drill; you had to have at least a 5 bottom plow as time went on, and you had to have the discs and the harrow. And you had to have those things whether you were farming a hundred acres or five hundred acres. So consequently the only way you could make it pay was to get more land either by renting it or by buying it, and of course if you couldn't buy why you had to rent. And as a rule in the forties and fifties and sixties, it seems to me there was more land available to rent; now it's hard to find. The last ten years it's been very hard to be able to go out and lease ground because unless there was a death in the family, that's about the only way it could be gotten. There's not near the turnover there used to be. There used to be, I think I heard recently that one fall there was over forty sales, and that was in the thirties. That one auctioneer called forty sales in one fall. Now that's unbelievable. I would say the last twenty years good farm sales in the Troy area alone, if you had one or two you were very fortunate. And maybe a dozen in the county or in the area here because

that's the difference. In other words, once you've started farming, you're successful, you stay with it. And in the olden days it didn't take you much to get started. For five hundred dollars you were in business. Especially if you had horses, you could get you a plow and a harrow and a drill, and even a binder. And you got terms on. . . If you had to have a tractor, you could buy that on payments just like you would an automobile. But five hundred dollars--you had a start. You got credit if you were a young man, you were good, and had a good reputation you got your seed and you got your gas, that was an annual payment, see. There used to be gasoline credit from October to October of each year and no questions asked if you had a good reputation.

That's something else that's changed; now the farmer has to pay every thirty days as a rule. And of course, his seed he raises. Very few of them have to buy their seed because they keep their own. But it's a different world, there's no doubt about it.

SAM: Did many of the renters in the twenties, were they working up to be farmers, to own their own land, was that their ambition?

F B: Oh yeah, that was the number one thought but there again, a good operating farm, there was no way to buy out. In other words, nobody wanted to sell. That's all you knew was farming, so consequently you had no desire to sell that farm unless a death in the family and then oftentimes they were sold. But many, many homesteaders still owned their land in the fifties, as long as they lived. And then it passed to their children as a rule, why the children farmed it and it carried on.

SAM: The twenties probably didn't have nearly the same kind of turnover that the thirties did then as far as farms changing hands.

F B: No, not unless they were forced out and in Latah County there was very few

land foreclosures. In fact I know of only one and that was a voluntary in the Troy area. And that man redeemed it, and he gave a deed to the bank in my name and I held it in trust. And we held it, I believe, around five or six years, just for the idea that maybe he can pay it off and get it back, and he did. His family grew up, he got help. And he had two boys and two daughters and he was a good person, and he redeemed his farm. *And that's* the only one that we ever came close to ever owning.

SAM: You made that arrangement with the idea in mind that he might redeem it?

F B: Well, we didn't outright promise him. He outright deeded it to us with the idea, but he was to live there; he was to go on farming it. And we could do as we wanted to. If we felt that no, we're through with you, we're going to sell it, why that would have been the end. But we just absolutely gave it to him with that. . . We could see that he was gaining, and that he had had good years. *And* the crop, *and* we took the taxes, we paid the taxes, paid the interest on the investment that we had, and the balance was applied on his debt even though we held the deed. And we could see that he was gaining *and* so then we just decided to hold it in trust until he could pay it off in full. And as loaning capacities became more desirable for the insurance companies he was finally able to go to the Federal Land Bank and finance it. And so we just gave it back to him, and he paid the debt in full. *That's* what it amounted to.

SAM: This was the only foreclosure that you had at the Bank of Troy?

F B: This was the only land foreclosure. We had one land foreclosure and one machinery foreclosure. That was not a foreclosure on the land, that was a voluntary act. But on the other one, that was actually a sure sale of equipment, and he had no chance to ever recover and the bank sold him out.

But there was no animosity. It was expected. Anybody that knew what we had done felt that we were justified. There was no hard feelings. It was not one of these that you read about in the East where they all ganged up on the banker. But in our case it was strictly, we were at the end of the rope and so was he.

SAM: So you owned this man's farm for a while, it was in your name.

F B: Yes, I held it in trust because the purpose of that was that when you get it into a corporation, why in the event, as I recall, I think it looked better. In other words if the public knew about it, the records were printed, and of course by putting it in an individual, <sup>why</sup> we didn't want anybody to think that he had lost it to the bank. And it was the psychological effect--that was the purpose of it.

SAM: Now as I understand it the Bank of Troy itself didn't invest in farms that much, is that right?

F B: You can't. Even by law, you can not. The only way <sup>the bank</sup> can get a title to a piece of property in any state or in the state of Idaho or any bank is <sup>that</sup> you must get it by an act of foreclosure or by an act of. .. That's another thing, the <sup>e</sup> reason that it was put in an individual's name is that you've got to foreclose a mortgage and get title to it. And the law excuses you then. But to go out and buy a hundred and sixty acres, no bank can do that as an investment.

SAM: Well, in the twenties when you first came to the bank, what did it have its investments in?

F B: Well, it had loans and bonds, and municipal bonds and loans, yes. That was no problem. The First Bank of Troy always was a money making bank. And the demand for money was reasonably good. And it prospered. The people that owned it at that time were not people that bled it by constantly declaring dividends which was a policy that was good. They wanted to build the bank



and they did. They had an outstanding reserve account when the banking holiday in '32. The bank was in very good shape to be able to <sup>muster to</sup> take on such a thing. And of course when the bank holiday was declared which was in <sup>hit</sup> January, or March the sixth, I believe is when the president took over and he closed all banks. Every bank in the United States was ordered closed. And there was to be only re-opened by the consent of your banking department. And of course there was only one examiner in the state of Idaho and he was in the south. So we stayed open, and we made change and we waited on people, but there was no withdrawals or there was no loanings until the examiner could come and clear our records which took three weeks from the time that the holiday before the bank was free to start in again. But we had an examination. As I recall, it took about three days for him to go through and in the process of doing this, why, he had ordered that our capital was impaired and that we had to raise fifty thousand dollars to replace undesirable loans. So we went out one afternoon: Frank Green, <sup>Ok</sup> and Axel Bowman and I had prepared a list of, I believe, it was eight people for them to go see. And they started out, and they left, I would say about <sup>at</sup> noon and by three o'clock they were back. And they had fifty thousand dollars in their pockets. And I can recall calling the examiner, he was in Moscow. And I said, "Well, we got the fifty thousand dollars, when can you come back?" He says, "What?" And I says, "Yes, we have it." He said, "All right. I'll be there tomorrow morning." And he was and the following day we opened up again and was on the way. And that was, believe it or not, <sup>I think</sup> he was as surprised as he could be, and we knew we had no problems.

SAM: How did you know that you had no problems?

F B: Well, I don't know. Frank Green was a very, very outstanding individual.

And as I recall the conversation, I didn't go along, I <sup>had</sup> a job and I stayed in the bank. And the type of people they went to were money people that had money on savings and had banked in the Troy Bank all their lives, and it seems as though when they walked up to these individuals, so the story goes, why they told 'em what they wanted, and it was just a question of how much do you need. And they said, "Well, we'd like to have either five or ten thousand dollars." "Okay, that's all I <sup>want</sup> to know." And they got it. No arguments, no explanations, just on the reputations of these three men. But that's how simple it was because that's what you can do when you have respect. I can see 'em to this day when they went and came.

SAM: Well, what you're saying is that it didn't take persuasion or anything, it was just a matter of. . .

F B: That's right. Whatever they said, why that was the way it was going to be.

SAM: That's very impressive.

F B: Yes, it was, yeah.

SAM: Well, why did the examiner hold that the bank was in a bad way considering. . .

F B: Well, that was a result of the Depression. A bank examiner in those days took the attitude that this is it, this is the way it's going to be. In other words, if you're broke, you're broke. And there's no way, if <sup>he</sup> rules this <sup>is</sup> a poor loan, the man may be honest, he may have assets, but it's not a bankable loan. Consequently, what you do is up to you, but we want it taken out of your assets which was a very, very hard. . . This examiner was noted for his coldness, for his shrewd. And whatever you want to call him, why he had the power and he demanded it, <sup>and</sup> so consequently you did it. Now what happened to these assets? Out of seventy-six thousand dollars that was charged out within a period of less than two years we had collected more <sup>a</sup> than the fifty thousand that was

demanded of us to raise. So you can see that's how we happened to get  
 the deed to this particular farm as a result of this because we believed  
 in these people <sup>who</sup> had the loans. We knew that they were honest people,  
 and if there was a way to pay it would be paid. And that's the type of  
 business that we did. All they needed was a chance. And of course we were  
 willing to give that farmer or that person a chance. But the banking department  
 wasn't willing to give us that chance. And of course we didn't care because  
 we knew that no matter what by their paying it. We believed in them, why  
 the money couldn't be lost. And if it was lost, if these kind of people can't  
 pay their debts, then we are in for more trouble <sup>h</sup>en what's the difference  
 whether you got money or not. If it's that kind of a world that we were to  
 live it but it never materialized that way. After the bank holidays in  
 the thirties, why it was slow to recover, but they did recover. It didn't  
 happen over night. All of the thirties were tough, tough times. And of  
 course the war came on in '41. You saw an upsweep of employment, farm  
 commodities improved, that is, they had a program of price supports for wheat  
 and barley. Although there was a couple of years we had a price support on  
 peas, but it was never a national thing. But farmers started to come back and  
 their biggest hazard was the elements, that was the worst because of the  
 wet weather or the wet spring or the wet fall. And we were still in a  
 stage of being undermanned. There was very few people to help in the  
 harvest. Willis Bowman and I spent several years, I say several, I think we  
 hauled grain for three years all during the war for a farmer out here who  
 had no way of hauling his crop to town. His sacks laid in the field, and so  
 at three o'clock, <sup>why</sup> we would close the bank and he and I went out there the  
 first year and <sup>then</sup> he went to Bremerton. <sup>(END of side A)</sup> Ole and I, who was the president of the  
 bank, he'd go with me maybe one day and Norman Berg up here'd go another

day, or whoever I could get would go out there, and we'd load that thing with a <sup>the</sup> day's crop and we'd haul till eight and nine o'clock at night, bringing in those sacks of grain. But that was common. You saw all kinds of people that was working no matter what you were doing.

SAM: I forgot to ask you about this--the men giving <sup>the</sup> money to the bank to keep it open. What was the arrangement made with them?

F B: They got stock, they got bank stock. Yeah, they became a stockholder in the bank. So they couldn't lose, that is, if they were a depositor of the bank, which they were, there was no difference in taking stock for that bank than a deposit slip because they were still involved in the same. . . They believed in the bank and they believed in the community. So it was not a convincing thing. <sup>But that</sup> just to convince em that now you <sup>'ve</sup> got to help us. In other words, here we are, three men with history behind us and we need help, and we go to our fellow friends and ask for this help. And they couldn't lose, and in the majority of cases, why that stock was redeemed by individual stockholders as they could.

SAM: Were these men that had been closely involved in the bank in the past?

F B: No, only as depositors and they were friends of Green and the Bowmans. Yes, they were well known. They were good old stable, reliable. And they were <sup>all</sup> <sup>old</sup> <sup>they were</sup> all older people. And by that I mean, Mr. <sup>Keeny</sup> was definitely in his late sixties, Mr. Johnson <sup>Elaf</sup> and <sup>Moans</sup> Johnson were definitely up in their sixties and seventies and they were considered old in those days. John Niland was, I would judge, seventy. And all of these, with the exception of Mr. Keeny, they were all bachelors. And let's see, Albert Lewis, of course was not. He was an individual, he didn't participate in this particular thing though. But let's see: <sup>Keeny</sup> and the two Johnsons and John Niland, and I believe that was the size of it. I think that was the number that they saw. There might have been a couple others I wouldn't know unless I went back

went back on the record.

SAM: Well, did anybody in the bank, any of you have a pretty negative reaction to having to do that? Did you feel that you ought to be able to keep the bank open? It would seem to me that that would. . .

F B: Oh, I would say Frank Green felt that way. He felt we were being abused by the banking department and what they were asking was wrong. But there was no time to argue; there was no time to fight. In other words, you accepted it because nobody was depriving<sup>you of</sup> anything even though he ordered these notes charged out, you knew that. . . And the largest loss was the closure of another bank that we had had our deposit in. The hurt the worst because that was gone. And that was beyond our control. That was a Spokane bank that had gone broke in 1931, and we took a loss there of something over fifty thousand dollars. And that hurt and there was no way to recover that. That was a loss. So that was considered in this charge off so that you knew just about anybody could go through these particular notes that he had demanded removed and you knew those people so well, and you knew well, here's the bad and here's the good. So it was your judgement against the bank examiner, but you didn't argue because you knew if that's what he wants, that's what he'll get. And we want open, we want<sup>to get</sup> back into business. That was the number one thought.

SAM: Well what did the bank examiner base his assessment of the individual loan on?

F B: Just the idea that we were never going to have prosperity again. I guess the end of the world was coming. And that man was here this spring, I talked to him. But sure, he continued to examine us for, I would say, at least ten years after this had all happened. And Mr. Bowman used to rub it into him a little bit. And he'd say, "Well, how was I to know that we were going to have good times again? I had to take the attitude that it was no good and consequently, well if it was god<sup>why</sup> wasn't hurting you," so what did you do? You didn't argue with him.

SAM: Would he just look at the man's assets and say he can never pay this debt?

F B: That's right, yes. That was <sup>the</sup> deal, yes, pretty much.

SAM: Now the bank opened up right after he came back and approved the books?

F B: Yeah, I would say March twenty-sixth. March sixth is when the president took office and that was his first act was to close all banks in the United States. So then you had to wait your turn to get examined and to get clearance to re-open. And we were re-opened before the <sup>first</sup> of April. In other words, as I recall it was in the latter part of March that he got to us, and after he got there and he <sup>and told us</sup> made his assessment, <sup>what was necessary,</sup> it just flew, we just did things so fast in order to get open <sup>and we wanted to be open</sup> for the payroll at the end of the month. And as I recall, we made that easily.

SAM: Well, what happened during the period of time that you were closed as far as you and <sup>your</sup> local people and their feelings ~~and~~ what was going on?

F B: No, people still believed in you and everything. There was one Moscow bank that was open. That was First Trust and Savings Bank. They were the only one in the county that was open. The rest of 'em all had the same problems <sup>that</sup> we did. So that there was no place to go. Now we, up here, I was appointed as the conservator they called it. In other words, I had charge of the bank and so all I did, we opened our door every morning at nine o'clock and we closed it at three. All I was allowed to do was to make change for a twenty dollar bill or a five dollar bill and talk. In other words, people came in, and of course, you were honest with em. You told em the story. And there was nobody that the minute you were open said, "Well, here, I'm here to draw my money." It was the other way. It started to grow immediately. There was not a single withdrawal of any consequence you know. In other words, people didn't say, "Well, I just can't wait for you to start opening up, no matter when it is, 'cause I'm gonna <sup>draw</sup> my money out. Instead of that it

was the other way around. "I'm anxious for you to get open because we're going to deposit, and we're going to go right on <sup>where</sup> we left off," and they did. But even before that, you knew it was coming, you knew something was going to happen. And we never did experience a run on our bank in any way, shape or form. We had a few that was nervous and did withdraw their money before the bank holiday. But that we expected also. But we <sup>had</sup> people that were cashing their payroll check in the month of January or February or previous to the banking holiday that would say, "Now, <sup>if</sup> I'll help you, I'll deposit this rather than cash it." And they did. And so we always experienced <sup>satisfaction, that is,</sup> support. But it was a sad thing, the Depression in general was sad. It wasn't over in March. In other words, we went all through the summer, we went through the fall. And many farmers were on edge, <sup>they</sup> didn't know where they stood. And of course, it was not a big year; 1933 was a wet year. There was still the hazards, they weren't money making. And people were living very frugally, didn't spend anymore than they had to. And many people when they came in in the fall--you heard so much, you know, that the bank is going to have to get tough and <sup>they would</sup> have to change <sup>the</sup> policies. And people would come in, you might say, licked as they entered the door because they didn't know what was going to happen to him. They had no idea. <sup>But</sup> they went out smiling. <sup>None of us</sup> was tough, we wanted to play ball. And I think we had the confidence of the banking department and they knew we were good, and that we were trying, and so we had no more problems in any way, shape or form.

SAM: What was the difference between the Bank of Troy and the other banks that closed down? What made the difference do you think?

F B: Well, they were just naturally, their capital was low--that was another thing at the First Bank of Troy. Mr. Bowman was a man who wanted a reserve, he believed in not paying everything out in dividends. In other words, if you

made five thousand dollars profit, don't declare that in a dividend and give it to your stockholders. If you have to have a dividend, make it small, let's build a reserve, a reserve fund for losses and contingencies. That was a policy that went on for about ten years previous to the Depression. And <sup>as</sup> I recall that account got up to twenty thousand dollars which was mammoth in those days. It was a real "bumper" as a fellow would say. So consequently, even though we had the problem we were still above board. And banks that failed was those that were washed out, that had no capital left, that had real bad loans, in other words, losses that were no good, see-- loans that were absolutely of no value, period. And there was a lot of them had those regardless of who they might be.

SAM: Was this the difference? Did the Troy Bank have fewer bad loans than most?

F B: Yes, that's what it amounted, yes.

SAM: Why?

F B: Well, I think because of <sup>the</sup> management, <sup>because of</sup> <sup>the</sup> people. The Swedish people are shrewd people, they're not dishonest people, and that's what the majority of them were. <sup>would</sup> I <sup>just</sup> say that they did not have that many bad loans. In other words, the bank was solvent, and that's what you based it upon, the solvency of your community, and it is a good, solid community. Now lots of banks where there was two banks, for instance, Kendrick had two banks. They had a Kendrick State Bank and they had a Farmer's Bank which was competition. <sup>you can often</sup> Where you have competition <sup>have</sup> difficulty because one tries to be a better fellow than the other one. And the policy of making solvent loans becomes impaired because of the fact that you overextend yourself. And that's what happened in many times. Now we had a little <sup>bit of</sup> animosity between us and Deary and Bovill. Deary depositors often came down here and left their money and <sup>would</sup> deposit with us. So consequently we ended up making loans in Deary even



though there was a bank there. And of course, as shrewd as that man was he still made mistakes because of the fact that if you don't have loans, you can't operate, you must put out your money. So it was more of an industrial, a payroll community than Troy was. Troy had payroll individuals, but they had more farming here than Deary. Deary was still clearing land, they were in the midst of the forestry up in there. So consequently their community was not so liquid as this one was because we had lots of cream checks, the farmers was milking cows and selling cream. They were raising crops and they were also still logging their land. And wood<sup>wood</sup> was a big item. And h<sup>a</sup>y. And consequently this was a good area, it was the center of the county. And Moscow, of course, had three banks, and of course, their competition was overdone. They, there again was in trouble. Genesee had two banks which was just <sup>had</sup> too many and when you get that, well, one of em just has to fall by the wayside.

SAM: Do you think there was a real difference in support between what the community gave here and what they gave other places.

F B: Oh, not necessarily. I think it's the type of people that you got. And if you got a transient type of people and you go to the . . . Kendrick did. There's a stable. Genesee's a stable. Deary and Bovill were not because they were payroll people. And good loans in that kind of an area were hard to get because of that fact that a man would come today, and he might borrow fifty or a hundred dollars which was a good sized loan and be gone tomorrow, and there was no way to catch up with him. And I would say that would be an unstable financial situation. It's changed now, but it those days it didn't. It was part of the picture in other words, logging camps where they employed a lot of people, why they were here today and gone tomorrow. And the house

building, the construction was slow. As a rule the houses were built, had their own materials of logs or else they would go to a sawmill out at Nora and get their lumber on time and there was no <sup>mortgage</sup> money to be had. You very seldom saw a man build a house in Troy, Deary or Bovill and take a mortgage on <sup>it</sup> because nobody wanted it because of the fact that it was unstable.

SAM: Well, would you say that most of all the patrons of the Bank of Troy were Troy area people?

F B: Yes, I would say a good ninety percent of the business was local. Well of course, our wealth was never tremendous but I think at the depth of the Depression our deposits went down to less than two hundred and fifty thousand dollars which was good and yet that's another reason why banks failed <sup>is</sup> because of the lack of money. And no matter what, if you started withdrawal deal on a bank, there's no bank in the world that can stand a run because your money is loaned out and you can't run to the bar and say, "Well, here John Jones is a depositor of ours and he wants his money. Now will you pay back the loan?" "Sure, I'd love to but I can't. I can't borrow it from anybody else." So you were stuck. You were in the middle. And that happened all over the United States. Bank runs are the worst. . . That's why today during the Depression that we are currently experiencing, that's why there are no loans, because of the fact that the government has guaranteed the deposit, there is no fear. And that was one of the worst enemies there was, was the fear that the bank was going to go broke and I'll get mine before <sup>the bank</sup> does which means that no bank can stand a run.

SAM: Well, did other banks struggle a lot to stay afloat in this area? Or didn't they have a chance?

F B: I think most of the banks that closed in this area closed before the holiday, before the Depression was at its depth. In other words, after the crash of '29 and by 1930, there was at least two in Spokane that had failed, one Moscow

bank had failed, the Kendrick Bank had consolidated, the Juliaetta Bank closed, I believe in '28 or '29, the Deary Bank was closed before the bank depression, I think about 1930, and the same way at Bovill. And so you had, <sup>all</sup> what was left was becoming more stable, which was also helping see. And so consequently, Troy benefitted by what happened in Deary and Bovill, and so you were getting depositors from that area. And Kendrick, the fact that they had consolidated and closed one of the banks made it better for the other one. There shouldn't have ever been more than <sup>the</sup> one anyway.

SAM: If we talk about that period right around the crash was there any inkling that anything was going to happen in 1929?

F B: Oh yeah, oh yeah . But I think the bank holiday itself, the fact that the president ordered all banks closed was a surprise, and yet it was welcome because it had to be. In the big cities in the East they were closing by dozens at a time which was terrible. And if he hadn't of declared the holiday, the run <sup>on level</sup> wouldn't have stopped. The whole United States would have collapsed. But by his closing 'em and then ordering that they not be re-opened, only by the consent of the controller of the currency or if you were a state banker, why then you had to have the consent of your state commissioner. Why you knew, people knew that if <sup>well, if</sup> that bank opens it's solvent, see, it was good. <sup>And</sup> from then on it started the other way . There was no runs after that. They were through. ~~But~~ the damage had been done in so many cases. So I think if you didn't re-open though within I would say sixty days from the time <sup>that</sup> the holiday, why it was, as a rule, hopeless . In other words, you were set for liquidation. And by that I mean it was undesirable, it was not a good bank, <sup>in other words</sup> they had far more problems than they should have had. And that's the way it was.

SAM: Well, in 1929 when the stock market crashed, what did people think here?

F B: Well, that hit the East worst than it did us, see, because we had very few stock speculators, we had nobody that suffered in the crash because our people did not invest in those things. And the farmer was still experiencing reasonable prosperity, that is, he was at least breaking even. So consequently, that's just naturally true. We didn't really feel it til the '32 and '33. And of course the big climax came when the presidency changed, that's when it all came to a head because they looked to him for. . . There was unemployment, as you know, there was a lot of strife and a lot of antagonism going on. That all had to stop because there was so much bitterness. And so that all played a factor. But as far as the real Depression, we felt it more after, we were late in other words. The big industrial cities were having it all through, from '29, '30, '31. We hit bottom in '33 when we say the bank closed. So by '34 there was WPA, there was PWA, actually, Sam, we had roads in the Troy area in Latah County that was absolutely mud deep with a foot of mud. Every spring we were wallowing through it, a car couldn't run, we wanted school bus consolidation, but it couldn't be done because there was no way to run a bus in the wintertime and in the spring and in the fall because there was no bottom to your roads. So we had the greatest opportunity for federal monies because that was the purpose and that's what came out of this thing was the utilization of using federal funds to start projects. All right, they got a rock crusher, they must have had about two rock crushers in this area. They had one supervisor and we had mile after mile of roads gravelled. They didn't rebuild the road, they just gravelled it as it was. You'd zig-zag and some places they changed them, yes, but the majority of them all they did was when the spring opened up and it became dry, it was just load after load after load of. . . Six and eight inches of gravel was put on those roads. And it was miraculous, we'd a never had it--

probably now, but there'd have never been a gravel road, what was done in 1930 <sup>until</sup> probably 1950 or 1960. But anyway that started it and they left none undone. You got gravel wherever you had a chance. The streets of Troy were graveled and oiled by donated labor and by a project. Our sewer system was laid by WPA. And our grade school was built by PWA which was a public works deal. And that was in 1941.

SAM: Did this give employment to anybody. . .?

F B: Yes, oh my yes, yes. And local people, and as a rule, they were Lewiston contractors though, that is the original. But oh yes, yes. You saw guys, in one instance, a former manager of a department <sup>store</sup> was shoveling, ~~he~~ was tickled to death to get it, yes sir. It was just like a godsend. At least you ate. But nobody went hungry in this area, that is, everybody had food no matter what. We had sawmills operating. And this is an experience. Ole Bowman and Frank Green bought a bankrupt department store up here. They were the two oldtimers and we didn't want the store to close, we need it. And it was the source of employe~~e~~r for about six or seven people. And so they bought this store and we had a man that ran a sawmill. He was an oldtime~~r~~ here too, <sup>Name of</sup> Rausch. And he was unable to sell his lumber. That was a slow process, so he was unable to finance himself by dollars. So he would give to the Troy Mercantile Store an order to give John Jones or whoever this employee that had worked for him, he'd give an order for thirty dollars to be traded out for groceries or for merchandise. And <sup>then</sup> when he could pay these orders, why he would. And that was a godsend. In other words, by doing that you kept the sawmill going, you kept people fed, and they really was conscientious. They bought ~~it~~ no foolishness; there was no liquor or beer to be bought in those days. And they bought only the necessities when it comes to dry goods. And that thing got up <sup>to</sup> it was thousands of dollars that those two men carried the burden themselves, and they did that. That's

something that very few people even knew about. Sure their order on the Rausch Lumber Company was common talk, but anybody could have 'em. But the average merchant couldn't afford to take 'em, see. In other words, he would give anybody an order that wanted one, but the fact that the sawmill was struggling. But they were <sup>money</sup> men, Ole and Mr. Green and they could afford it. They carried the load themselves. And they got the business. And they didn't in any way pad their grocery list or anything shape or form. It was just normal business. Instead of getting cash, why they got their order for groceries. And that went on for, I would say, at least three years. Now that was in the latter part of the thirties. I think that store operated from '36 to '39, it lasted three years and they finally closed it out because they could see that the town couldn't support two--they had a merchandise store by a local citizen so they closed it out rather than to keep it on.

SAM: How tough was it on individual families? You were in a position to, I'm sure, see what suffering there was in people coming to you, and if it's anything like I know it's been here in recent years. . . .

F B: Well, it was sad, more sad. And there was lots and lots of worrying, yes. You never really knew what went on in the minds of so many people because there was still a little fear that if I had a bad year and we owe the bank money, and they have security. . . . Crop and <sup>child</sup> mortgages were common in those days. That means that you were in such a condition, if you are a renter you had mortgaged your cow, you had mortgaged your farm equipment, you had mortgaged your household goods, you had mortgaged your crop to the bank. And you had done that for one year, see. That'd be from October to October. And if you couldn't meet that there was a certain amount of worry that if the crop was poor, why you <sup>knew you</sup> couldn't pay it, you didn't know whether the bank would renew it, and you lived under those conditions. That was the saddest part. I have seen

many a mother or a wife have tears in her eyes when she came in because you could tell they hadn't slept the night before. They knew that they had to go to the banker and see whether or not it could be done. <sup>But</sup> we were not that type of people. If ever a man quit, he quit on his own. We never asked him to. Many times you felt like it, you wanted him to but there was no way to tell him, "John, you just as well quit, you're not making any money, you're <sup>GETTING</sup> behind and we want you to quit" because you wanted to give him every opportunity. There was nobody knows. We <sup>thought we</sup> were on a rising condition and that things were going to be better next year. You always lived to that hope, and next year was going to be terrific and next year man, we're going to have money. You lived with that. The banker lived with it and the people lived with it. The farmer lived with it. So you had to take the attitude, well, if he thinks he can do it, why should we say no because maybe he can. But finally even he <sup>woke</sup> up and he knew that, well, this in no good. I'm not gettin' anywhere. I have an opportunity for a better job and I'm just going to sell out. Now for instance, that can catch on. I can't remember this particular year <sup>because</sup> when it was told to me the other day that there was forty some auctions held in the fall. Now that had to be fantastic because those were voluntary. But anyway, this particular person that told me knew what he was talking about . . .

(End of Side B)

F B: . . . and we had one child, but anyway, that was just a baby, but I was approached to become a clerk of the local school district. And that was an experience of my life. It seemed as though, we needed a grade school. We had floated a bond election and it went over. And it was a PWA project, a <sup>P</sup>ublic <sup>W</sup>orks <sup>A</sup>dministration. They were to furnish sixty percent

of the money to build the school, and the school was to cost thirty thousand dollars, right at that. And so that meant that they would give us eighteen thousand and the local school district was to bond for twelve thousand. And we were to get this school. Well, they had an election and anyway, this election passed by one vote. And the next day the opposition, it was that close, and the opposition was determined that they were going to declare the election illegal because there was one man that voted that was not a citizen. And so the state of Idaho, of course, was the people to buy the bonds and the members of the school board was so anxious to get this going and get the money, get the bonds before the suit was started that they immediately notified the state of Idaho that the bonds would be ready in ten days and that we were to be expecting our check. So this gentleman that was the clerk of the board, <sup>he said, no</sup> he didn't want to be any <sup>part</sup> of that. He <sup>felt</sup> that probably the bonds were illegal, he knew the man that had voted illegally so he resigned. So they came to me and asked if I would be the clerk. And I said, "Sure, I'll do it." And that was in 1939. That was the beginning of a school trustee job that never ended. I stayed there for twenty-seven years in school matters. And so a lot of water went under the bridge in twenty-seven years. And I would advise nobody to ever get on a school board and stay that long 'cause it's fascinating, it was great and during those years I would never trade it for anything. But you get pretty hard-skinned, you get pretty thick-skinned, you get pretty easy to say no. And during those twenty-seven years in 1948 we consolidated the Troy schools after they had in turn become consolidated. When I first went on the board I think there must have been at least ten school districts around Troy that still had their own schools. And they were endeavoring to consolidate, to bring 'em in here through some agreement without charging 'em tuition. If they would get their bus they were free to come in here and no questions asked. And so by about 1937, I would



say that we had every district coming into Troy. We had gravel roads, and that was an excuse to get gravel roads. Because if you didn't get it under the WPA program you could go to the state of Idaho and say, "Well, we need three thousand dollars for gravel, we got a school bus that can't pick up these children. And our local district, our highway district is broke and so consequently we ask that the state give us three thousand dollars so we can go out here." So that worked. And roads was in politics at those times. And so when you went to a governor or a potential governor, you said, "Now, will you help us, <sup>if</sup> you do <sup>I'll</sup> vote for you." And it was all politics so consequently we rated good things. Anyway, we got our roads graveled, we got schools consolidated in full. We had a total attendance here in our high school. And we got the grade school. That was the purpose of building the grade school because <sup>buy</sup> high school building which housed all of 'em was just bulging at the seams. So we went over there and built four grades. WE put the first, second, third and fourth. . . And we were big enough at that time that each <sup>one</sup> of them had a teacher. So by 1939, why that's when this was done. And by '48 we had consolidated everything and we were going smooth but that's when the trend was that they wanted larger school districts. And by that time Bovill was going into Deary and consequently they were existing only. Deary had no gymnasium, they lacked school facilities but the law was that you could only bond for ten percent of your valuation. Well, I would say <sup>that Deary</sup> at that time probably didn't have over a hundred and fifty thousand dollars in evaluation--maybe two hundred thousand. Which meant the most they could raise would be twenty thousand dollars. Well you couldn't even begin to have a building program. And Troy was in the same condition. We didn't need anything at that time other than a bus garage and some improvements to our basement up here so we could have hot lunch. But Deary had the problems

because they were not existing. So they had meeting after meeting *to determine*, they formed a county organization here of five trustees, county-wide, and they were to iron out, see what they could do in the way of consolidation. Well, Potlatch ended up taking in Princeton and all. They brought all of the surrounding area into Potlatch. Moscow drew the lines and they started consolidating with their one building schools, brought those into Moscow. Genesee did the same thing. Juliaetta and Kendrick consolidated and made one school and they took in the high school from Southwick and they had a joint school district between Nez Perce and Latah County. All right: Troy and Deary and Bovill had a problem because Troy was self supporting. They were getting along, they were doing okay. But here we got Deary and Bovill setting up their. . . Unable to get anywhere. And it was too ~~far~~ from Kendrick and so it fell into the reins of where Troy was the only hope. It was the only chance and Troy and Deary should go together and Bovill. Because Elk River was on their own too and it was too far to bus those to Deary. So we ended up with a Deary-Bovill-Troy school district. And we called it the White Pine School District and that was the beginning of it. And so I fell into the heirship of becoming chairman of the Whitepine School District which I held for over ten years I believe it was.

SAM: When we were talking before you were talking about the virtues and the advantages of the one room schoolhouses, and I'm wondering how that worked because did you feel much of a mixed feelings about trying to bring all the kids into Troy to go to school at that time?

F B: Yes, because in one school you were advancing. What was wrong was that they were teaching eight grades in one school. And that was not good. Because of the fact that salaries were beginning to increase, *they couldn't* get roads so the fact that they could come into Troy and they could get the roads graveled and re-built where WPA never reached them. Why their schoolhouses were

deteriorating, they were becoming fire hazards and the curriculum, the demand of a child was become so great that no one teacher could service those eight children. And some of the districts were down to five and six kids. And yet you couldn't hire a teacher because salaries were not exorbitant. But even then a <sup>rural</sup> teacher got anywhere from seventy-five to a hundred dollars a month. And that was a pretty good load. And if you were a fairly, district idea that had to keep your school up and had to hire that teacher and a janitor and the services, Why they were levying more than what they could have come to Troy forso. . . And by that time they had passed a law in Boise that state aid was based on daily average attendance. Well, no rural school could qualify for that because it was getting so costly that they were complaining to give a rural school out here that had six kids and they had the minimum which was over a thousand dollars, why the state said, "No." We're ~~not~~ going to pay that anymore. You consolidate, you go into your towns and built up their daily average attendance,"and it was just common sense that it had to be. So that was the beginning of all of these things. Now sure, I can go back to myself and you never went to a rural school, I did. I went to seven grades in a rural school. And I think the advantages there was we all sat in room. And I can recall <sup>that</sup> you heard the first grade recite, you heard the eighth grade recite. And it you were, as a rule, a first grader, you were way over his head, he didn't listen. But if you were sixth or seventh or eighth you kept listening to what was going on in the second, third and fourth. And what you missed, it went back and went in your ear and a certain amount of it stayed there. And it helped. When I moved to Kendrick, then I moved into a separate room. At that time they had the seventh and eighth together. I skipped <sup>the</sup> seventh and went right into the eighth because when I was in the seventh grade, why we couldn't attend

school very regular so they gave me an examination and I was qualified to take the eighth grade and I did. But it's true that was satisfactory, yes. It was good. In other words you can see where one teacher cannot teach eight grades and say it's satisfactory. And certainly it was a part of history. But at the time being it was great, yes. When I went to rural school, elementary school up on American Ridge there was not a vacant seat in that building and that schoolhouse was as big as this front room and this together. And I would say there was twenty, twenty-five students in there which was a good school. Which was a good, well attended school. But you could go out here and around Troy, every ridge had a school: Burnt Ridge, Little Bear Ridge, Dry Creek, Big Meadows, Bethel and American Ridge, two schools out there within, you wouldn't say shouting distance, but certainly within sight of each other. And they all had schools. And they all had a teacher, see, so financially it became a burden. In other words the students suffered from a lack of the fact that the community couldn't support it.

SAM: When you were starting on the board here, in those early years, did the state have a large influence as far as the books and. . . ?

F B: No, none, none. The county had <sup>more</sup> because we had a county superintendant. And there was a state superintendant but you never saw him. And when he did his attitude was that we would say, "Well, we need help." "No, no, you don't need help, we need help." In other words, they had the problems, we didn't see, because they were striving to get more consolidation. Their money that they were appropriating was being very, very foolishly spent because when it first came out with <sup>the</sup> daily average attendance deal there was a minimum. As I recall it was a thousand and thirty dollars, now I could be guessing on this, I don't know. It's been so many years <sup>ago</sup>. But no matter if you had at least a teaching unit or any part of one unit which was in a rural school could be anywhere from one to <sup>say</sup> twelve kids, you've got that same amount, and

then you jump to another unit and it's so forth. Now a rural school always got one and that more than paid the teacher's salary so the taxpayer really, from what you were getting out of that money, the state was suffering. In other words they weren't getting value received and they felt that way. They would rather give it to a big unit where you had a high school and where you had consolidation <sup>than</sup> by supporting this individual school out here where it was unsatisfactory in any way, shape or form. So consequently, your county superintendent, she was constantly visiting schools. And you did your own hiring, you did your own firing, that was your responsibility. You ordered the county to pay the teacher the salary. You didn't even pay your own bills, they controlled the money. You had a budget and you tried to stay within that budget although we paid no attention to that. We knew our teacher had to be paid and we knew that we had so much expenses. We had a coal bill and everything had to be paid. And of course, if you overdrew or you ran short, why you had to make it up out of the next year's budget and so forth, that's how it was run. But it was pretty lax, very lax. And even Troy School District, Number 31 was a going good concern but <sup>they</sup> had a poor clerk because ~~I~~ was it, but we were getting by. And there was no cheating, you just spent what you had to and that was it. Our budget for school supplies was, oh, very neglected. Of course in those days you didn't furnish paper, you didn't furnish anything to a student. He was on his own. So all you had to do was see that your superintendent had some paper to write on a maybe a few pencils.

SAM: What about books?

F B: No, that was all. Book rentals didn't come in until after White Pine became an issue. And after you got money. . .

SAM: Kids had to get their own books?

F B: Yes, all during my twelve years in school I had to buy my own books, yes. There was no free books at all.

SAM: I wanted to ask you about when you first came here to Troy and started working at the bank. I was curious about what you learned from Ole Bowman, what he taught you.

F B: Well, of course by the time I came to Troy I knew the fundamentals of banking. I knew all the bookkeeping angles, I knew how to post, I knew, oh the general principles of banking because I'd already spent three years in a bank. But all you learned when you came was the policy of the present management. Ole Bohman was a very kind gentleman, he was not a cold-blooded banker as we know cold-blooded bankers. He wanted to help people and he had a desire to help 'em. Very rarely could he demand of an individual, now you pay this or else. He never said that to any man. He just could not and he would not. So that rubbed off onto to <sup>me</sup> to a degree that I have never been that type either. That is, I knew when I was licked or if I knew that <sup>if</sup> a man wasn't trying and that he was dishonest and that he was boozing, that he was drinking up his money, that he was neglecting his family, I could become very very irritated toward him. And I would tell him so. And many a time that. . . And they knew it. I used to laugh because I could never walk into a tavern where there was being beer served or alcohol served because one would punch the other one, "Here comes Brocke, be careful!" And that was common knowledge, you know. So I stayed out of 'em. I finally had to beca<sup>u</sup>se it was embarrassing. Even though I di<sup>d</sup>n't care unless they were, as I say the ones that abused. And of co<sup>u</sup>rs<sup>e</sup> they had a guilty conscience too. But I would say to a man that would come in and "I need a couple hundred dollars." "Well, by golly, I'll give it to you but I don't want to see you in that tavern!" Well, he'd "No, no, no, no." But an hour later <sup>he</sup> went down there and there he was.

So consequently you kinda<sup>d</sup> learned to know 'em and you knew that, well, next time he's gonna be that much harder to get the next two hundred. But anyway, that's life. But Ole Bohman, of course he was a religious person to the degree that he never went near those places. He was about as dry as they make 'em. So, but anyway, I learned those things through him that, tolerance, and I was not necessarily a liberal banker. I think <sup>I remember</sup> <sub>A Ole</sub> always been a very fair one. And that's what he wanted to be and he was. The fact that he was not cold-blooded made it very difficult at times to make loans because he knew that if there was a doubt, he used to say, "Aw, you go over and see Frank," and that <sup>u</sup>would be the end of it. And I used to assume the responsibility and I liked that. That's how you become a banker because in 1933 after the <sup>a</sup>bnk holiday, I became cashier of the bank, and Mr. Bohman, as he grew older took less responsibility. And consequently before many years, why the whole thing was laid in my lap anyway so you just fell into it and you begin to know your people. Which after all is ninety-nine percent of being a banker is knowing your people and who you're dealing with. Because you get so close to 'em and you get so wrapped in their affairs that sometimes you know the answer to their problem long before they do. And you try to help 'em, and <sup>if</sup>I had my say I don't think anybody in the country would have owed a dime because I wanted to see people out of debt. I didn't in any way try to encourage 'em to get into debt unless I knew that that was the answer. So that's the way it went.

SAM: What this is making me wonder is when you first came here then, you still didn't really have a philosophy of banking and it was Ole Bohman that taught it to you, is that it?

F B: I would say yes because responsibility, as far as I was concerned, I came in '26 and so I was here nearly, you might say seven years before the bank holiday, <sup>and</sup> the real responsibility fell upon me to be my own boss

do as I pleased. Ever since then, I was never told, "Don't do this, don't do that." It was always I did it on my own after I became cashier and became the full management of the bank workin' beside Olk Bohman I still had a free hand to do as I pleased. It was my judgement against the whole thing. That's one of my difficulties, <sup>I guess</sup> that's why I was lost up here because after forty-five years of running a bank under those conditions, being your own boss, doing as you please, it was hard. They wanted differently, they wanted to say, they wanted to put regulations and put demands upon me that I couldn't do this and I couldn't do that. And I said, "Okay," but the minute they walked out of the door I continued this same pattern because I could not, might say, lower myself to stoop to what they demanded of me which was no more than to share responsibility. It was all right, but still it was hard to do. Just like they demanded that I take a vacation and be gone for two weeks and I said, "Well, that's up to me." Because if I left the bank for two <sup>solid</sup> weeks and I came home to an apple box of delayed correspondence it was a terrible worry and an injustice because I couldn't ever catch up. And that's what was happenin', even when I was gone three and four days, I'd come home and the correspondence got clear out of hand and it worried me. And so that was the reason I didn't take a vacation. And there is no such thing as a compulsory law; there is a recommendation by the banking department that all employees <sup>S</sup> must take a vacation but I've talked to many bankers that manage banks that don't take vacations for that very reason--that they can't. And it's a good policy but it still. . . And they wanted departmentalization. This present board that runs the First Bank of Troy now, they demanded that I divide the loaning capacity up with other employees which was all right. But I still said that if John Jones comes in and he wants an automobile loan and he wants a private laon and he's willing to wait for me I'm going to wait on him if it takes all day. And they didn't



like that. They said, "No, that's not fair." They wanted me to say, "Well, you go to that office over there, he'll take care of you. And I couldn't do it, just because of the fact that I'd waited on him for twenty-five years, and he wanted me and I was going to do it again. So it was little things like that that brought on ~~my~~ difficulties.

SAM: When you learned from Ole Bohman, did he have a philosophy that he told you, "My principle is to do it this way," or did he just do it by . . . ?

F B: No, no, he had a way. See, he was not a young man when he went into banking. He was an old man at that time. And so he was just a human being. He was not a banker in the sense that we know of a banker today, no. He was not a banker. He got the bank simply through the fact that he wanted to venture into new fields. They were brothers; he and Axel were in the lumber business. And <sup>there</sup> was time for a change, in other words, the lumber industry was beginning to fade out because the timber was beginning to delete. And so he had an opportunity to go into banking, see. And he had money, he was considered a wealthy man. He was known by everybody. And he was a local man and so he went into the bank just as green as I was <sup>originally</sup> in 1910, I believe, or around there. I don't think he was one of the original, 1905 is when the First Bank of Troy opened. But I think it was 1915 before he actually became part of it. Now he was an old man, but he was conservative. He knew the value of a dollar. As I say, he knew everybody, so he was a natural man to take on this but he never, in the sense of the word, was a cold-blooded, shrewd banker. He just followed his conscience and that's the way it was. And the fact that he was tight, I would say that. He was <sup>not</sup> a man that would throw away his money or . . . I used to get a kick out of him, some of these Jews would come in, in those days you could have a carpet, or you could have a watch, you know. In the forties it was nothing to have a salesman walk in the door and all his pockets would be full of watches. And he was in for

selling 'em, you know. "Well, yeah," Ole said, "Let's see what you got."  
 "Well, here's one for twenty-five dollars, here's one for ten dollars,  
 here's one for forty dollars." "Well," he said, "this is twenty-five? Well,  
 I'll give you ten." (Chuckles) And you listened to that conversation and  
 as a rule, Ole Bohman bought the watch for ten dollars before the guy got out.  
 And the guy knew that see, that was his job. He had his prices way up there  
 so you didn't know who got took. But that was Ole Bohman. That was his way.  
 And he was happy and so was the guy that sold him the watch. But that was  
 his life.

SAM: Would you say that he was very careful about what he would loan money for,  
 what he would give money for to people? Did he judge whether it was a worth-  
 while purpose or not?

F B: Yes, I would say. And to me I always used to think. . . I don't think he ever  
 would say no, but oftentime if you needed three hundred dollars you walked  
 out with maybe a hundred and fifty. Now that was pretty much my philosophy  
 too. I got that off of him obviously because a man came in with five hundred  
 dollars and he was a marginal case and we were financing him and you had a  
 feeling well, he's pulled that figure out of the air. In other words he's  
 asking for five hundred with the idea that, "See I might not get it. I'm going  
 to ask for five because I know that he's going to pull me down." So that got  
 to be pretty much of a practice and obviously it was dealt between us because  
 we were both doing it, I can recall that. But there was one time that he would  
 always fail. And if John Jones lost his wife by death last night and he came  
 into the bank the next day and he wanted to know, "Mr. Bohman, Matilda died  
 last night and I've got to have the funeral and I suppose I got to pay cash.  
 Can I get it?" "Oh, yeah, yeah. Well loan it to you no matter what!" Now  
 that man, it might be three hundred dollars, that would be a good funeral

in those days. Two hundred to three hundred dollars was a normal deal. But that's when he really got soft. I noticed that so. . . Now that was Ole Bohman, see. Because he would, he was kind. He knew that man was in trouble and he knew his wife had to be buried. And he knew he was honorable and that he would pay it back, but it was too bad, it was no value received in other words. But, "Yeah, we'll see that your wife is buried and we'll loan you the money." And that's when he could get awful soft.

But another <sup>person</sup> might come in and say, "I need three hundred dollars for a team of horses." "No, no. That's too much. You don't have to have that good a team." And they'd either walk out or else they would end up with maybe a hundred and fifty dollars and get 'em a couple of old nags. He didn't go into the facts of what he was getting for the three hundred dollars. He just took it for granted, "Well, you can get by with a hundred and fifty, see. You don't have to have that good a team of horses." Well, sometimes that's false economy, you know, that's just business. But that was his way. But he very seldom argued with anybody. As the time went on, by the middle forties why, the forties even, he'd come to work by ten o'clock and by eleven he'd go home or he'd go up and down the street or he would meet others. And if anybody'd come in and I wasn't busy he would say, "Well, you go to Frank. And he knows your problems." And we never had words. We were always so close. I knew what he would do and he seemed to know what I would do and so he never worried. We never had problems. He made mistakes; I made mistakes. I could tell him when he would make a mistake and I think he probably could tell me. I've told him when he loaned a man money. . . I never said, "Ole," I always called him Mr. Bohman. I said, "Mr. Bohman, you know darn well he's not going to pay that." "Well, he might." And he wouldn't. And on the

hand there was many times that I have loaned money, Ole Bohman has loaned money to a man that staggered in your door he was so drunk. But he could write his name. And we'd kid him and say, "Well I hope you remember the one hundred dollars, see. And I hope you remember this, by golly, because it's gonna be due now next month. And you only want it for thirty days and you're pretty drunk." "I'll remember it, and I'll see that you're paid!" And he would be back there probably the next week when he got his paycheck. He'd pay it--Ole and I used to laugh at that. He would never stand it, he could never go into Moscow, he could never go into a Spokane bank and stagger in the door and get a hundred dollars. Yeah, that's right, that's the way we did it. But that's true, <sup>that's the way we did it</sup> and you weren't ashamed of it either. Because it wasn't everybody that could do it but sometimes, you know, some of these boys would get carried away. We never denied this either and we never lost those kind of loans.

(End of Side C)

Transcribed and typed by Kathy Blanton