

Hostetler, J. C.

Interview by
Miss Betty Turnell

for the
Decatur Public Library

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J. C. Hostetler Interview

February 20, 1985

This is a recording of the experiences and reminiscences of Mr. J. C. Hostetler. The interviewer is Betty Turnell; the narrator is J. C. Hostetler of 1552 West Decatur Street in Decatur, Illinois on February 20, 1985.

Q. How long have you lived in Decatur, Mr. Hostetler?

A. I was born and raised in Decatur. I am ninety years old now.

Q. That is a good long life. You know a lot about our city. How did your family happen to be in Decatur?

A. My grandfather came from Bedford, Indiana some time before 1858. He was a physician. He was born in Louisville and was educated there and was graduated from the Albany Medical College, Albany, N.Y. and came to Decatur. He had been here about six years when he died in 1858. He left his widow, Susan Mary Newland, with three sons. My father William B. was the oldest, Joseph C. (for whom I was named) and Robert B. was the youngest. She took in boarders and roomers and put these three men through college. My father graduated from the Albany Medical College, my uncle J. C. from Union College at Schenectady, N.Y. and my uncle R. B. from Northwestern University in Evanston, Illinois.

Q. Then your father married of course and had a family, and you came along.

A. Yes, Father married Minnie I. Waggoner, who was the daughter of Henry W. Waggoner, who was an early Decatur business man and a mayor of Decatur. I never knew my grand father or my grand mother Hostetler. They were dead long before I came into the world. I remember my Waggoner grand parents very well, however.

Q. Where did you live in your childhood?

A. We lived in the home that my grandmother Hostetler owned at 250 West Prairie Avenue. They remodelled it some time before I was born and it was a big thirteen room two storied frame residence. My brother and I had the house torn down in 1952 and made the lot into a parking space. My father was the chief surgeon for the Decatur division of the Wabash Railroad until he became ill in 1907. Then he retired. But he still continued his general medical practice until he died in 1913. I was then almost 18 years old.

Q. What about your childhood? How many brothers and sisters did you have?

A. I had one brother two years younger than I and one sister five years older. We have been very close all through life - we never divided our inheritance and invested our savings mostly in jointly owned real estate. My brother Bill was a successful insurance partner in the firm of Bennett Shade Company in Decatur, my sister married Dr. Ralph E. Wiley and went to Fontanelle, Iowa where she lived and died July 18, 1984.

Q. And that is her picture over there on the mantle - a beautiful girl.

A. She was a very pretty woman. She went to Millikin University and was a Pi Beta Phi and then went to the University of Minnesota in Minneapolis and graduated. She was a popular girl. Many of my acquaintances I made because they were friends of my sister. You know whether or not you are successful in life depends about 40% on who you know and 60% on what you know.

Q. Looking back on your childhood, what are your impressions?

A. My father was not married until he was in his 40's. My Uncle J. C. was a bachelor, a man who had a lot of fun in life. He lived with my father

and mother. He saw to it that my brother Bill and I met all of the Hostetler and Newland tribes. He took us to Indiana where they lived in Bedford. We visited the country side around where they had lived and he took both of us to French Lick Springs. He furnished the money for me to go to the University of Illinois, because by then my father was dead and gone.

We were about the only young kids on the 200-300 block of West Prairie Avenue. We had neighbors - all Uncles, Frank and Aunt Alice Caldwell, Uncle Gomery and Aunt Gomery (A. R. Montgomery), the Scruggs, W. R. and Lillie Chadsey, Uncle Loeb and Auntie Loeb (Peter Loeb and his wife), B. O. McReynolds and his wife, Uncle Orville Gorin and his wife. They were all old residents there. Until we, Bill and I, were seven or eight years old we were the only kids in the neighborhood. Then the widow of Alexander T. Hill - Elizabeth - who lived in the big house of the southwest corner of Church Street and Prairie had her son Edward and his wife and their three kids to come to live with her. We played all around the block and especially on the large vacant lot west of the Hill residence, which was the north part of the Hill barn basement horse lot. We played baseball and kicked football with any boys or girls who came around. My Aunt Caroline Hostetler lived back of us on William Street with her son William J. and his family of two daughters and I had lots of fun over there. Uncle J. C. saw to it that we got to all of the circuses and carnivals, the race track, baseball games and other things that bachelor men do more than married men. Later in my life in my real estate loan business I became very well acquainted with Miss S. E. Kenney - the owner of the abstract company. She knew my father and my Uncle J. C. and she used to

tell me "You and your brother Bill had one of the happiest childhoods I ever knew about"; and that is true, we did have. Then I went to the University of Illinois in 1911. I had planned on studying law. At that time you had to complete two years of Liberay Arts College before entering the Law School and complete three years of law school. I completed only two years of law school and flunked the five hour course in Evidence and was put on probation in June 1915. My Uncle J. C. died on September 15 of that year and I had to stay here and look after his estate. It took a year and a half for me to administer my uncle's estate and close my father's estate. By that time in 1917 we got into World War I. I was drafted and was among the first to appear before the draft board in July. I have had a suppurating left ear since I was six years old and they classified me as 4F and I stayed on home and completed the estate work. A cousin of mine, Dr. Hershel Knap, of Chicago, Illinois was a very close friend of Brigadier General Albert Decatur Kniskern, who was in charge of the Zone 7 Supply Depot Quartermaster Corps in Chicago. In the fall of 1917 they were opening a Quartermaster General's Packing House Division in the big new depot in Chicago, and they were looking for clerks and people like that. Through General Kniskern I got in there being a 4F. They assigned me to buying packing house products for the camps and posts in the United States. It was purely a case of sending to the camps and posts for their estimates of how many they had to feed for the next month.

Q. When you say "Packing House" do you mean meat packing?

A. That is right - well all packing house products, like serial 8 bacon, cooking oil, beef, ham, poultry, turkey - anything connected with the

packing house business. We assembled all of the demands and those figures were submitted to Congress for appropriation, then we had to put out for bids to the various packers for the supplies needed. When the bids were received we tabulated and the low bid checked and the whole submitted to Major Skyles who headed the Packing House Division to put his approval on it, the contracts were then let with the approval of the Chicago Head of the Food Administration. I gained a major appreciation of the ability of the big packers to meet such tremendous demands we placed upon them. For example, the Armistice was declared, I believe on the 12th of November and a big group of soldiers from the hardware division took the tops off the G.I. cans and came marching through our floor of the depot banging the cans having a big parade. The whole Quartermaster division was discharged for that day. We went down into the city and yelled and joined the crowds. We came back the next day and were requested to procure Thanksgiving turkey dinners for all the army camps and posts in the country. Those big Chicago packing house companies were able to commandeer the turkey market and ship dressed turkeys to every camp and post in the United States for the Thanksgiving meal. They got turkeys from all over the country. How they did it I don't know. That was Armistice Day 1918. You see, unlike World War II, immediately after the Armistice was signed, many contracts to supply war materials to the army were cancelled and they started dismissing from the service any of the men, like me for example, who had a job to return to or to go back to school. I got out of the Army on the 19th day of January, 1919, got into my issued uniform winter coat and hat, went down to Champaign and was able to enroll in the

in the University of Illinois for the second quarter. I spent the second and third quarters of 1919 and all four quarters of 1920 and got my B.A. degree from the University in 1920.

Q. You switched courses?

A. I gave up the law. When I returned to the University in 1919 I specialized in the business side of the Liberal Arts College, economics, marketing, foreign trade, money and banking, corporation finance, bonds and investments. And completed the required science and mathematic subjects and all of the philosophy subjects.

Q. You had quite a bit of good experience in your work in the army?

A. I had some good experience there. In the law school I got along fine in studies of real property, torts, criminal law - but when it came to equity pleading and evidence - the difficult part of it I was over my head. I was too young. I graduated in that period when all of the men from the business part of the Liberal Arts College went into either the bond investment or the insurance business. My brother Bill got out of the army late in 1919 and entered the Wharton School of Commerce at the University of Pennsylvania and he specialized in insurance. I chose the bond business and was chosen from the University graduates that year to go with Halsey-Stuart and Company in Chicago. And it was through going to Halsey Stuart that I met my wife. During the war she had gone to work for a good friend of her family, Clarence Macneal, who was the Treasurer of Halsey Stuart. She was his assistant, did the buying of furniture, supplies, etc. So when I showed up as a bond salesman I met her right away. I had known Beatrice's brother Philip King at the University. Beatrice and I had a glorious courtship and two years later we were married. Earlier I had told you Beatrice was English, but I meant that her father and mother were

both Canadians. They had come from England to Canada and then to Illinois. Her father was with Soloman Smith when he founded the Northern Trust Company of Chicago. He was cashier there and wound up a Vice President and retired a couple of years after we were married. It was through Dad King that I learned of an Englishman, A. D. Langworthy, who was the loan agent for the John Hancock Mutual Life Insurance Company. He wanted to get a loan representative down here in this area of Decatur. So when I left Halsey Stuart I came back to Decatur and went into the mortgage loan business, making farm loans for insurance companies. Horace McDavid, who was one of my sister's old beaux, and William R. McGaughey, were both friends to me and made it possible for me to get the business established. I operated it very successfully until 1929 when Matheny Dixon and Company of Springfield was forced out of business because of the stock market crash and the Prudential Insurance Company of America was looking for someone to take over that mortgage business. I was able to get Springfield, Peoria and Jacksonville, so we had three offices, all making residential loans. We were doing very well and had a good record, but when the Bank Moritorium was declared in March 1933 the Prudential cancelled our loan contract and we were put out of business. The men who were managing both the Peoria and Springfield offices were put to work for the Prudential in the Chicago branch office and I had to stay and clean up the business. The following year the Prudential offered me a job as Assistant Manager of a new branch office to be set up in Cincinnati. So we left our home here, put everything in storage, went to Cincinnati. There I had a wonderful experience in charge of loans. We had loans in Ohio, Indiana, West Virginia and Kentucky. It was all my territory and to clean up the mess. We had lots of difficulties - for example when General

Motors closed the Frigidaire plant in Dayton, Ohio, we had all of the big residential loans in the city of Dayton, because the Prudential was the only insurance company which would lend more than \$25,000, and those Frigidaire men lost their jobs just like that. They left and scattered all over the country. We had those properties turned over to the managing department and those undesirable ones were sold immediately and all of the rest of the properties set aside and a few years later they were sold and the Prudential recaptured all of their investment. Before I left the Prudential in the fall of 1936 we had a telegram one day from the home office saying "Go to Indianapolis and settle the Monahan foreclosures." The Monahan's had a number of big apartment houses there - they were in financial difficulties, they owed the General Electric for appliances and back taxes. The Prudential had started foreclosure and were to take over the property. But the home office said "We are not going to acquire another five million dollars worth of real estate in Indianapolis." So we went to Indianapolis, cancelled the foreclosure proceedings, gave the property back to the Monahan's, paid off the General Electric Company for all the refrigerators and gave the owners \$50,000 for working capital. In a few years the Monahans came out smelling like a rose. It was a great experience.

I realized after being there for three years that I had no home office experience with the Prudential. The men who were getting ahead were those who knew persons back east in the Newark, N.J. office. So I made up my mind to get out. I learned of the National Life of Vermont and went up there and interviewed them and they agreed I could go as a loan agent for them in this territory in Decatur. So we came back happy to be in Decatur. And lo and behold the Northwestern Mutual Life Insurance Company was making farm loans at 4½% interest rate and the lowest rate from the John Hancock

Life was 5½% and the rate of interest from the National Life was 5%. So it was impossible to get started. I did not even open an office. McGaughey, who was a friend of my sister and a friend of McDavid's said that there was an opening in the Millikin National Bank.

Q. I'm sorry to interrupt, Mr. Hostetler, you spoke about people giving up their homes. Did you have problems with meeting people who lost their homes or businesses and were in dire straits?

A. No, that was all handled through the legal department of the insurance companies. When I went to the Prudential in Cincinnati practically all of the properties acquired had gone through foreclosure and the people were out and gone. I had one experience in Columbus, Ohio. I had to see a man who was high-up Kings' Row in the Eastern Gas Company. We had a large loan on his home in a desirable section of East Columbus and he was ill at home; his wife was in Europe on a trip. They were high livers. I talked to him and he agreed to give the Prudential a deed to the property in lieu of foreclosure after his wife returned. This he did and they moved out. That is the only case I remember of actually taking the property from the borrower. I did not have any trouble there at all. Of course in any business, I don't care what it is, one has some disadvantages. Usually the irritations arise from persons you have to work with or persons you have to work under. Occasionally one gets crossed personalities and it is rather trying.

One of the questions you asked me was "if I had any recollection of teachers who had a great deal of influence on me?" I tell you I did have. When I went back to the University after my first four years, I took all of the courses in philosophy that the University taught. I learned from Professor Bodie many things. He said at one time "Young

graduates make up your mind where you want to live and then go there and find something to do". Well, I came back to Decatur. My family had been here over a hundred years and our interests were here - so we came back and I went into the Millikin Bank. There were some very irritating situations there and sure I developed an ulser along with all the rest. But it was work I liked and we got the real estate loan situation pretty well cleaned up. Sometimes it was trying. I had a lot of real estate for the bank to dispose of.

In 1941 my good school friend Everett Mueller, came to me. I had been doing a lot of work on the City Planning Commission. He wanted me to do some work for the Mueller Company, purely outside of the bank. I did it and the result was that Everett offered me a good job in the Mueller Company.

In 1941 I told the officers of the Millikin Bank that I was either going to be made a vice-president and a director of the Millikin Bank or I was going to the Mueller Company. They made me a director, named me a Vice-President and turned the bank's municipal bond buying to me. That was pretty satisfying in many ways, but like all vocations, it was irritating. Anyway things went along all right and I was happy with the financial end of it.

I stayed in the bank until I was 69. I found out that the average man has a fluctuating value of honesty. He is honest when he thinks some one might see him. I remember one time a teller named Naomi settled up for the day and was short \$100. She asked me "Will you take me out to see Mrs. So & So?" I answered "I sure will." Naomi had thought back and remembered one transaction where \$100 was involved and we went out and called

on the woman involved. She was not about to come into the bank on her own volition and give us the money. When she was questioned she said "Yes, I've got the money" and turned it back to the teller. You would be surprised how many people will take advantage of the bank if they get the opportunity to do so.

Q. Has that always been true?

A. In my experience it is pretty generally true. I've been a firm believer in the doctrine - "I am the captain of my fate and the master of my soul" and think that all of us are what we are by the decisions we make all the way through our life.

You won't come across any man in the city who is more lucky than I am. I had a marvelous father and mother, generations of Mennonite blood from my ancestors who came from Switzerland and settled in western Pennsylvania. The Indians massacred his wife and his daughter in 1758. They took my ancestor, Christian Hostetler, into the Ohio valley and he was adopted by an Indian family and lived with the Indians until he was 18 years old and ran away and came back into Pennsylvania. I am one of the 7th generation descendants of Christian Hostetler, Mennonite blood all the way. On the Waggoner side of the family they were Holland Dutch. We do not get to choose our parents, but I was lucky. I too, had a marvelous girl to marry. I married her because I loved her, and her father and mother were like my father and mother. I liked her brothers - we got along together perfectly. So we had 62 years of happy married life - and that is longer than lots of persons live. Beatrice had her 90th birthday on September 13 and I had my 90th on September 23. She had been ill since

April 1975 and on the 14th of October 1984 she died without pain and at peace. We had a good life, and my relationship with my sister and brother was absolutely perfect. Bill and I have been in business with her all of the way and never heard an angry word. We worked hard and prospered. When I left the bank we had income enough to live comfortably. We have been ahead of inflation, which has been a horrible thing for the average American who was not a Union wage earner or who did not have a salary increase with each increase in the inflation progress. So I'm thankful and appreciate I've been extra-ordinarily lucky.

Q. Lets talk a minute about banking. It has changed a great deal even while you were in the business.

A. Banking is a fascinating business. It changes every day, for it involves all kinds of people, all kinds of production and industry and all of the world's kinds of governments. One does not know what propositions are going to be submitted in the days work when you open the door at 8:00 in the morning. I not only had the advantage of schooling at the University of Illinois, for in 1947 the University of Wisconsin established the Middle States School of Banking. Only officers and college graduates were eligible to register. I went to McGaughey the President of the Millikin Bank and told him I wanted to register. He agreed to pay my expenses if I completed the 3 years work of 2 weeks each summer of attendance at Madison. The three two week sessions each year were a complete education. We were exposed in seminars each night to men like the members of the Federal Reserve System Board, the head of the American Farm Bureau Association, and bankers of outstanding ability. When we completed those courses under the professors,

nearly all were from the Universities of Wisconsin, Minnesota and Michigan, and if we did our work at home, we were prepared to be a bank officer. We claim that we are professional men, because all the way through you must study or else be lost. One must know the history of banking, of financial affairs, of business cycles and the history of our government. Banking today has a greater intrusion by government rules, requirements and forms.

Q. Why does government have these requirements?

A. For the safety of the depositors and to meet the claims of minority groups in our population who claim they are not fairly treated because of race and nationality. We are in a period where every one who is disappointed with a decision made claims unfairness. He goes to a lawyer, sues, and claims that some one has stepped on his freedom or his social status.

Modern banking came in with the establishment of the Federal Reserve System and the seven Federal Reserve Banks. The big city banks no longer are the holders of the reserves of the so-called country banks. Speed in completing all kinds of money transfers, computers, the enormous number of banking items which must be handled, and the records which must be kept. The tremendous inflation in amount of money outstanding, the rapidity of its circulation, branch banking have all changed the physical outside of the banks. We now have motor drive-in depositories, 24 hour a day machines to take deposits, make withdrawals. And loans to take vacations, buy horns or automobiles and homes - all to be paid off in monthly installments in the future - some as long as 30 years at variable interest rates. Whether this is good or bad I do not know.

It is only certain that we the people have a tremendous sum of debt to be paid off. Sure it has given record employment and made possible the enjoyment of many things.

Q. Do you think it is better for our life today?

A. I sometimes question it. Now you have asked me what we did for our recreation. When I was growing up there were always seven of us at home. We had a Victrola, a collection of good records; Mother could play the piano. We played cards occasionally. We read. My brother and I couldn't wait to get the weekly Motor Age and Scientific American and the monthly World's Work, the Saturday Evening Post and Harper's Weekly. We had the Y.M.C.A. to go to when we were about 7 years old - it was the only gymnasium in town. My father always had two horses and we had a pony. We had a big stable at the rear of the home lot and a man to take care of the horses and cow and to have my father's buggy ready each morning for him to make his house calls. We had chickens and pigeons on the outside exercise lot at the rear of the property next door each which the family owned. My mother had help all of the time. My father used to say "Every family needs an old maid". There was somebody coming or leaving the house all the time, and some one visiting. Father received payment for his services from certain patients. We had a fruit cellar filled with bins of potatoes and apples and my mother canned fruit. There was always plenty to eat for everyone who came.

Things have changed completely. The automobile and mass production of all kinds of things made work in the factories very monotonous and the worker sought relief from the strain by doing things outside. It meant a big change in our values, the real values in life. Today too many of us

are interested in acquiring things. Everything the public sees advertised if it can be purchased on monthly payments is bought. They give little thought to the fact that if they are lucky some day they will be an old man or old lady and someone will have to take care of them. Many think Social Security will do it - but it cannot provide everything needed. The young worker today is sick and tired of taking care of us old persons. And he is not going to stand for much more increase in what is taken out of his pay. We now have too many ENTITLEMENTS - too many persons claiming "I'm entitled to this". It has given a lot of physical improvement, a lot of entertainment and pleasure, but I think we have lost the true measure of things that are valuable.

Q. Your own life has been extraordinary.

A. I have been very, very lucky. Our son has earned a very good education, married happily and prospered in his insurance profession and has two children who have received excellent educations and prepared for and have found desirable work to do.

Q. You must think Decatur is a good place to live, because you came back here.

A. Decatur absolutely is a good place to live. And as I look back on my life so many good things happened, which I did not have a thing to do with.

Q. But you still had a lot to do with some things, and that made a difference.

A. I think my values - the things that I valued most - on the whole were good. As Prof. Bodie said "Everything you value in your life will cost you dearly, and somehow, some day you'll pay the price of it."

Q. And have you?

A. And I have. I've worked hard, but I've enjoyed my life very, very much, and I think much of my pleasure came through my wife and our son, because they are the things I valued most.

A. That is a very good note on which to end. Thank you Mr. Hostetler.

A. Thank you very much. I have enjoyed talking with you.

You have been listening to the recording of experiences and reminiscences of J. C. Hostetler. This is Betty Turnell for the Decatur Public Library.

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