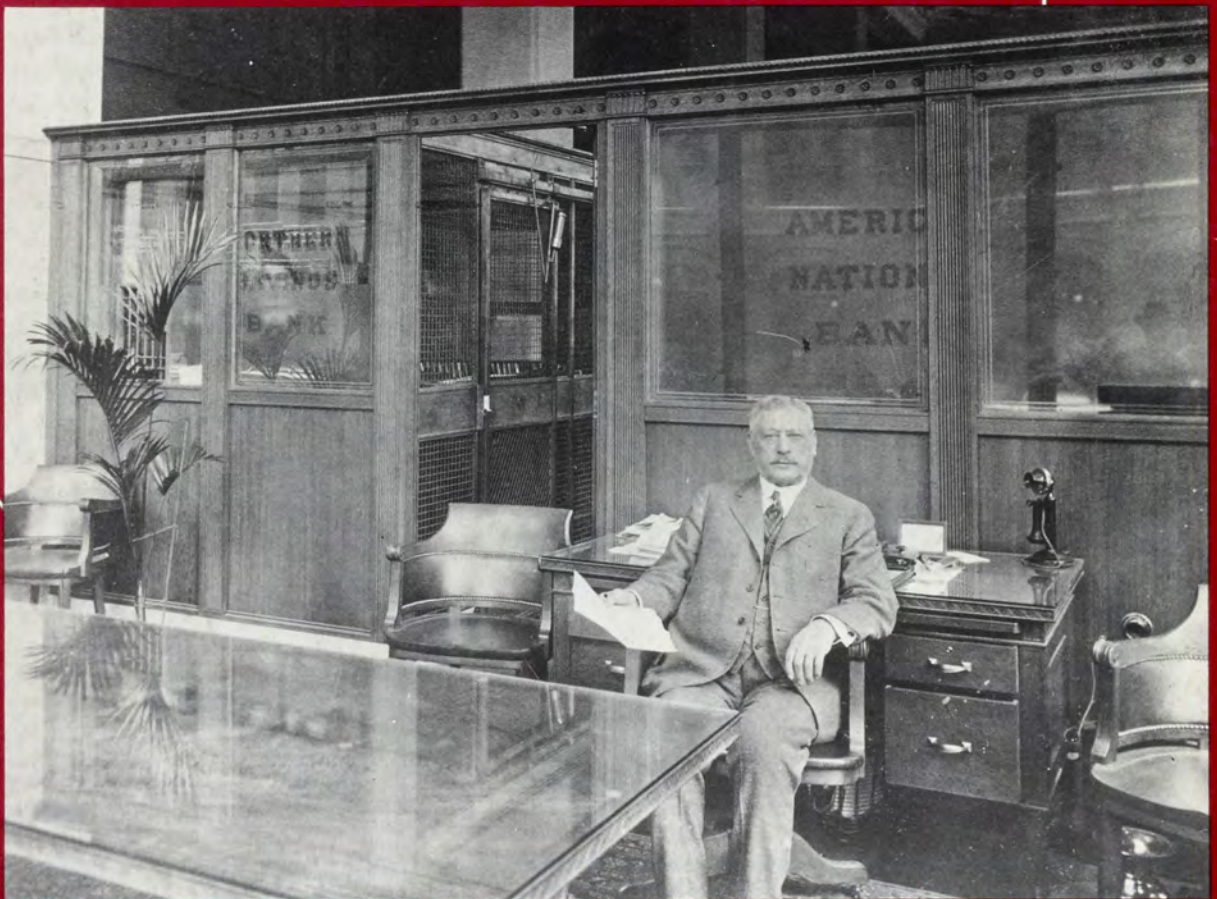


# RAMSEY COUNTY HISTORY

Ramsey County Historical Society

## The American National Bank and the Bremer Brothers

Volume 23  
Number 1



# Ramsey County History

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ON THE COVER: Benjamin Baer's office in the American National Bank was typical of banking in that period just after the turn-of-the-century. The Jacob Schmidt Brewing Company (small photograph) was linked with the bank through much of the bank's history.

ACKNOWLEDGEMENTS: All photographs used in this issue of Ramsey County History are from the Audio-visual Library of the Minnesota Historical Society.

# The American National Bank And the Bremer Brothers

By Thomas J. Kelley

*The Peoples Bank of St. Paul was organized in 1882 and had its offices at Seventh and Sibley Streets. A few years later the St. Paul City Directory started placing it at Seventh and Jackson Streets, S.W. corner. In 1895 the Peoples was dissolved and the Northern Exchange Bank was formed. It occupied the same quarters and some of its officers had held positions in the Peoples Bank. The Northern Exchange Bank, in turn, became the American Exchange Bank in 1899. In 1903, the American National Bank was created under a national bank charter by the merging of the American Exchange with the Union Bank. The new bank was located at Sixth and Minnesota Streets in the Oppenheim building.*

May 4, 1988, marked the 85th anniversary of the public opening of the American National Bank under its national charter. Although the origins of the bank extend back beyond May 4, 1903, this anniversary provides a reason and an opportunity to search our memories and our records to learn about the people and events that shaped today's institution.

The text that follows attempts to present a picture of how a group of people, including two extraordinary brothers, established an independent bank and how their unique personalities made that bank into a unique and respected institution.

To understand the business climate and the rapid changes which were shaping the banking business in St. Paul at the turn-of-the-century when the American Bank received its national charter, it is necessary to go back to the boom years of the 1880s and the events that led to the Panic of 1893.

The 1880s were a time of rapid growth for St. Paul. Money and jobs were plentiful. Land values were shooting up and building was going on everywhere to meet the needs of a growing population and expanding businesses. The population of St. Paul increased from 41,473 in 1880 to 111,393 in 1885.

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THE CITY HAD BEEN the head of water navigation. Now it was the hub of land transportation, being served by at least twelve railroads, including the Northern Pacific, the St. Paul, Minneapolis and Manitoba, which went on to become the Great Northern; the Great Western; and the Chicago, St. Paul, Minneapolis and Omaha. All four of these railroads were headquartered in St. Paul. Improved transportation made it possible for merchants and other small businesses to maintain smaller inventories, relying on regional jobbers to supply them with needed goods and commodities on short notice. Wholesaling and jobbing companies such as C.P. Howse & Co., silk wholesaler, and Griggs, Cooper and Co., supplier of Home Brand groceries, quickly became big businesses in St. Paul. Banks shared these good times. New banks were formed and others were expanded.

The 1880s were also a time of celebrations in St. Paul. The first large event celebrated the completion of the Northern Pacific Railroad between St. Paul and Portland, Oregon, in 1883. Business and government closed down for a parade that was viewed by President Chester A. Arthur, General Ulysses S. Grant, Lt. General Philip Sheridan and Robert T. Lincoln, Secretary of War.

Buoyed by good business and rising land values, nothing could dampen the optimism of St. Paul citizens. In 1886 they even celebrated the city's bitter winter climate by holding a city-wide Winter Carnival. The event drew so many visitors and was so successful that it was repeated in 1887 and 1888. Unfortunately, the winter of 1889 was so mild the event had to be called off.

THE EUPHORIA OF the 1880s ended abruptly with the Panic of 1893. That year the Northern Pacific Railroad went into receivership along with two other transcontinental lines, the Union Pacific and the Santa Fe. The only immediate casualty among St. Paul banks, and it was not fatal, was the National German-American Bank which had to suspend operations temporarily. It survived, however, and went on to become one of the five leading St. Paul banks to emerge from the chaotic 1890s.

Several Minneapolis banks went under but all of the



*Adolf Bremer*

St. Paul banks survived the Panic of 1893 without a failure. There was a modest recovery following 1893 but by 1896 the economy had taken a bad turn. The Ramsey County Savings Bank, which had been heavily involved in real estate mortgages, closed with a final payment of only 25 cents on a dollar. In July of 1899 the State Savings Bank of St. Paul and the Germania Bank failed with recoveries of 80 and 71 percent respectively.

The 1890s were the worst years in history for the St. Paul bankers. At the start of the decade banks were numerous, uncontrolled and often over-extended. The currency system was faulty, so everyone held on to his cash. The expanding population and the consequent increases in business in the 1880s had led many bankers to extend credit far beyond their institutions' safe capacity. The rapid drop in the value of collateral on which they based loans and mortgages meant there was no market for collateral. The Depression of 1897 continued to be felt throughout the nation in 1898 and 1899.

The devastating experience gained in the panics and depressions of the 1890s changed banking and bankers. The entrepreneurial bankers who opened banks with little experience and less capital were elimi-

nated in the harsh financial environment of the 1890s. The survivors tended to be experienced, hard working, efficient and conservative. The boom and bust cycles of the past had indoctrinated them with great respect for solvency and liquidity.

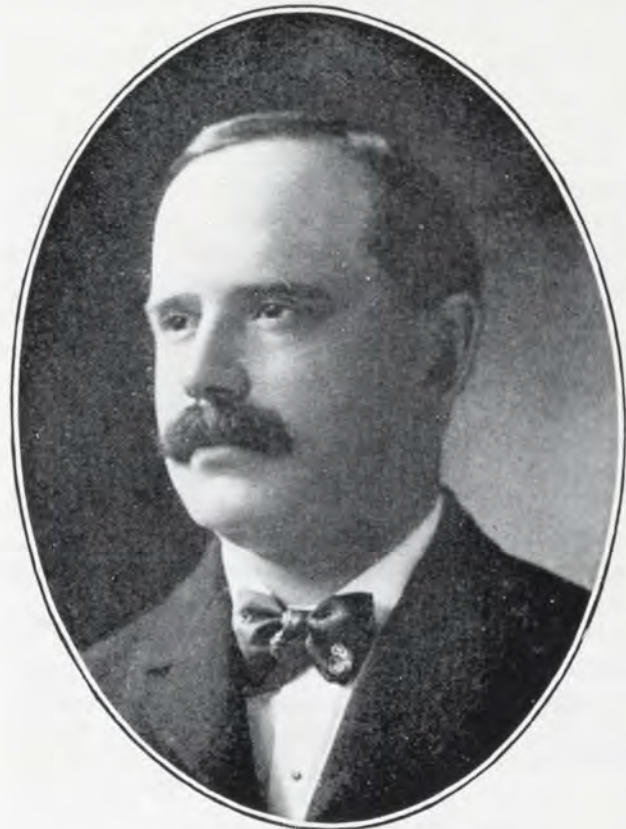
THE FOUNDERS of the American National Bank met these specifications. They were bankers and business people. And although the economy was looking healthier, they had the memories of the previous two decades to temper their optimism. They had seen St. Paul during its greatest period of growth and prosperity in the 1880s and they watched or were part of the struggle for survival by the banks of St. Paul in the 1890s. This experience explains the conservative financial policies these people followed in operating the American National Bank during its early years.

Following are brief biographies of some of the charter officers and members of the bank's board of directors who played key roles in operating the bank and setting its policies.

## **The Founders**

### *Joseph Lockey*

Joseph Lockey, the first president of the American National Bank, brought to the position a rich back-



*Otto Bremer*



ground that included prospecting, soldiering, government service and banking. Although the exact date is not known, Lockey was born in England. He came to this country with his parents and they settled on a farm near Dubuque, Iowa. He helped his father on the farm and attended school there until 1854 when he joined the gold rush to California where he took up prospecting with some success for the next three years. In 1857 he returned to Dubuque and invested his earnings in the mercantile business. Four years later he moved up the Mississippi River to Lake City, Minnesota. He stayed there only a short time before he moved to Red Wing in 1862.

At the outbreak of the Civil War he volunteered and became a member of the Sixth Minnesota Volunteer Infantry. He served in that unit in the campaign against the Sioux which followed the siege at New Ulm in 1862. In the winter of 1863 he was assigned to serve as private secretary to General Henry Sibley and accompanied him on the continuing campaign against the Sioux. At the conclusion of the campaign he was assigned to the disbursing office in St. Paul, where he remained until the conclusion of the war.

*Benjamin Baer, American National Bank's second president, in the bank's office around 1908.*

In 1886 Lockey served as the engrossing clerk in the Minnesota legislature and the following year he took a position at the First National Bank of Red Wing. He served with the bank until 1872 when he was appointed Deputy Commissioner of Pensions with the United States Pension Bureau in Washington, D.C. He served during the winter of 1875/76 as secretary for the United States Senate Committee on Commerce. In 1877 he was appointed National Bank Examiner for Minnesota, the Dakotas and the northern half of Wisconsin. For the next five years Lockey covered much of this extensive territory by wagon and stage coach. During this time he became knowledgeable about the banks and bankers of the region.

In 1883 Lockey resigned his government position to enter private employment as the assistant cashier of the newly reorganized National German-American Bank of St. Paul. He remained with that bank, first as cashier and later as its president, and then again as its cashier. He had become president of the bank to see it through a reorganization and when this was completed

he resumed his position as cashier.

In 1903 he was one of the principal organizers of the American National Bank. He was named the first president of the newly organized national bank and served in the post until 1908 when failing health forced him to resign.

#### *Benjamin Baer*

Benjamin Baer, a member of the original board of directors of the American National Bank, had given up involvement in active business and was simply participating in the bank as one of its large stockholders. In 1908 he abandoned his passive role to take over as the bank's second president.

Baer was born in Strassburg, Alsace-Lorraine, on June 3, 1845. When he was 16 years old he came to the United States, living first in New York and for several years in St. Joseph, Missouri. While still a young man, Baer went to the Black Hills of South Dakota in search of gold. During his years there he also operated a ranch near Deadwood and established the American National Bank of Deadwood. He left Deadwood to move to St. Paul in 1899.

During his tenure as president of the bank, Baer was also active in civic and philanthropic affairs. As a member of the Greater St. Paul Committee he played an important part in bringing the Armour packing plant and the Montgomery Ward retail and mail order establishments to this area. He was also active in promoting the construction of a new union railroad depot. He was president of the Associated Jewish Charities. Benjamin Baer remained president of the bank until his death on July 21, 1921, following an operation for appendicitis. He was 76 years old.

#### *Louis H. Ickler*

Today the officers of the American National Bank call May 4, 1903, the bank's birthday but its corporate origins date back to about 1882 when the Peoples Bank, which became the Northern Exchange Bank, was established. Louis H. Ickler joined the Northern Exchange in 1895 as a teller. About a year later several others who later played important roles in the development of the American National Bank joined the American Exchange Bank, a linear descendant of the Northern Exchange Bank. They were H.B. Humanson, who later became president of the American National; P.A.F. Smith who became cashier, and Alice M. Du Bord, who became assistant cashier of an American National affiliate, the Northern Savings Bank.

#### *Harry Byrd Humanson*

Harry Byrd Humanson started his banking career when he was only 15 years old and remained in the banking business for 58 years. Humanson was born

February 4, 1875, at Dodge Center, Minnesota, where he attended the local schools. At 15 he moved to St. Paul to attend the Nichols Business College. In 1890 he went to work as a messenger boy for the old Bank of Minnesota where he remained for six years. From 1896 until 1898 he was a bookkeeper at the Northern Exchange Bank of St. Paul and from 1898 until 1903 he was a teller and assistant cashier at the American Exchange Bank. When the bank was reorganized under a national charter in 1903 as the American National Bank, he became the new bank's first assistant cashier. In 1912 he was named cashier, a position he held until he became vice president in 1929 and president in 1939. He held that position until he resigned in 1948 to become the bank's executive advisor. He died two years later.

#### *Alice M. Du Bord*

The display advertisement for the American National Bank which appeared in the 1903 edition of Polk's *St. Paul City Directory* did not include the name of Alice M. Du Bord among the directors and officers of the bank but she was an important member of the group which founded the American National Bank. At the turn-of-the-century banking was a man's world. The tellers and clerks and loan officers were all men. Du Bord became the exception. She started her banking career in 1896 as a secretary with the Northern Exchange Bank but when the bank became the American Exchange Bank and finally the American National Bank she was given the title of assistant cashier. Apparently she was the first woman to hold that title in any bank in the country.

In 1921 when she was named assistant cashier of the Northern Savings Bank, a newspaper story described her as, "The only woman in St. Paul having a title in a bank that high." She continued to hold that title for many years, even after she had become the de facto head of the savings department.

#### *Otto Bremer*

Otto Bremer was the city treasurer of St. Paul and the secretary/treasurer of the Jacob Schmidt Brewing Company at the time he became a charter member of the board of directors of the American National Bank. Bremer was born in Seesen in the Province of Brunswick, Germany, on October 22, 1867. He had three years of elementary banking training in Germany before he came to this country in 1886 with his younger brother, Adolf. When he arrived in St. Paul he went to work as a stock clerk for Farwell, Osmun, Kirk and Company, the wholesale hardware establishment. He became a bookkeeper with the National German-American Bank in 1887 and had risen to the position of chief clerk when he left the bank to run for the office



of city treasurer. He was a popular candidate and although he was a Democrat he received the endorsement of the Republicans as well as his own party. He was elected and re-elected for a total of five terms. In 1912 he was the Democratic candidate for mayor but was defeated in a close election.

Bremer was a minor stockholder in the American National Bank when it was organized, owning only fifty shares of the 2,000 shares of capital stock issued to fund the reorganized bank. He paid \$5,000 for his shares. In the following years he acquired stock in the bank as it became available. He made major increases in his holdings in 1909 when he purchased 165 shares from the ailing Joseph Lockey. In 1913 he picked up another 382 shares and by 1916 he was a major shareholder with 811 shares. That was the year his brother Adolf was elected to the board of directors of the bank. In 1921 Benjamin Baer, the president of the bank died. Louis Ickler was elected president to succeed Baer and Otto Bremer was made chairman of the board of directors. Bremer bought much of Baer's stock from his

*American National Bank's building on the corner of 5th and Cedar Streets, about 1907. C.P. Gibson photograph.*

estate with the result that by 1924 he owned more than 2,000 shares of the 4,000 shares of capital stock in the bank. He had become the controlling shareholder. For the next quarter century most of the news stories and announcements coming out of the American National Bank were attributed to Otto Bremer, chairman of the board.

The lives of the brothers Bremer and the story of the American National Bank and the country banks are so interwoven that the remainder of Otto's story is found in the description of the unusual relationship between the Bremers and the country and correspondent banks.

### **Board Members**

Other charter members of the board of directors may not have been active in the operation of the bank but they represented major business interests in the community. In addition to their capital they brought credi-

bility to the bank. Their connections and influence must have been an important factor in the rapid increase in deposits enjoyed by the bank.

Some of those board members and their affiliations were George A. Archer, Northwest manager, American Linseed Co.; John Walker Cooper, second vice president, Griggs Cooper and Co., wholesale groceries and president of the Jobbers Union; Benjamin Goodkind, vice president, Mannheimer Bros., dry goods; Archie Guthrie, Archie Guthrie Railroad Contractors; Charles P. Howse, C.P. Howse & Co., wholesale silks; Thomas Irvine, president, Coast Lumber Co.; Abraham Slimmer, Slimmer and Thomas Livestock; John Wilkinson, secretary, Tibbs, Hutchings & Co., wholesale dry goods.

### **The Brewery**

Throughout much of the bank's history there has been a link between it and the Jacob Schmidt Brewing Company. The brewery's network of sales agencies in rural Minnesota, North Dakota, Wisconsin and other states provided important business contacts for the Bremers in real estate, banking and other areas.

In later years, when Otto Bremer and the bank needed help, the relationship between the brewery and the bank became stronger and more direct. Therefore it is important to examine the history of the Schmidt Brewing Company, how the Bremer brothers became part of it and how the brewery related to the Bremers' other enterprises.

Jacob Schmidt, a native of Bavaria and an experienced brewmaster, took over control of the North Star Brewery in St. Paul in about 1884.

Earlier he had come to St. Paul from a brewery in Milwaukee to become brewmaster for Theodore Hamm's new venture. The Hamms were butchers and knew little about beer-making, and young Jacob Schmidt guided the Hamm Brewing Company in the stabilization of their beer.

In 1890 Schmidt took note of a young man who was keeping the accounts of the Burkhardt Company, a hunting and sporting goods store. The young man was Adolf Bremer, who soon added the North Star Brewery to his list of clients. And soon after, Marie, Schmidt's only child, caught his eye and his heart. Jacob Schmidt began to rely more and more on Adolf's counsel and business acumen.

In 1896 Adolf Bremer and Marie Schmidt were married. The company was reorganized as the Jacob Schmidt Brewing Company in 1899 and Adolf Bremer was made its president. When Jacob Schmidt died in 1910, he left his estate, including the brewery, to his wife, Katherina, and his daughter, Marie, and her husband, Adolf. Adolf Bremer took over operating control



*Joseph Lockey*

of the brewery. One of his early acts was to bring his brother, Otto Bremer, into the company as its secretary and treasurer.

Breweries suffered a setback when Prohibition went into effect in 1920. The Schmidt Brewery switched to the production of soft drinks and Schmidt's Select, an alcohol-free near beer. The biographies of Otto and Adolf Bremer which appeared in the newspapers and commercial journals of their time would lead the reader to believe that once Otto became chairman of the board of the American National Bank he devoted himself exclusively to the banking business and brother Adolf was concerned only with the brewery business. This picture of the business relationship between the brothers is far different from the real situation, as described by Adolf Bremer's daughter, Louise Benz:

"My father and uncle were very close in their personal lives and in their business. I had other uncles but I always called Uncle Otto simply uncle because I saw him regularly and often. He was like another father to me. Whenever I wanted something I would ask my father or uncle, whichever was closest. Uncle often took his meals with us. He and my father frequently walked over from the brewery to have lunch with us in the family home at 855 West Seventh Street."

The two men shared their fortunes and their misfortunes. When asked how her father felt about loaning



his money from the brewery to Otto to invest in the American National Bank or to see some country banks through some hard times, Louise Benz replied:

"He thought nothing of it because he saw his fortune and Uncle Otto's as theirs. When he supplied money he regarded it as their money. He knew that if the situation were reversed he could expect the same support from Otto."

Louise Benz described some of the differences in the two men. In Germany the Bremer family was well connected musically, and was personally acquainted with Franz Liszt and Johannes Brahms. It was Liszt and Brahms who presented young Adolf with a fine Italian violin which he carried with him from Germany. His first earnings in America came from playing at weddings and social events. In their native town of Seesen in the Harz Mountains the Bremers were friendly with the Steinway family who presented them with one of their early pianos. Otto and Adolf's father, Eduard Bremer, had helped in a small way to finance the fledgling piano company. After he and Adolf had finished their education in the Gymnasium or Hochschule in Seesen, Otto worked in the local bank. Adolf was particularly proficient in mathematics. Louise's father seemed to relate to people more readily than Otto who tended to be more formal than his younger brother. Adolf continued his interest in the piano most of his life, and he enjoyed singing German lieder to his own accompaniment.

Another factor in the contrast of their personalities was the fact that Adolf was a family man of five children, while Otto never married but lived with a maiden sister, Frieda.

"My father made friends with everyone he dealt with or met, regardless of their social or economic status," she said. "Although the men had some differences in their personalities and their interests, they were absolutely loyal to one another and their associates."

This characteristic explains their behavior in dealing with the crisis faced by the American National Bank and by Otto Bremer personally as the result of the farm problems of the 1920s and the Depression of the 1930s.

## **The Country Banks**

Otto and Adolf Bremer had an early interest in banks that served farm communities. These were known as the country banks. This interest in rural communities and their banks may have stemmed from their boyhood experiences in a small community in Germany. Any interest in small towns and their banks would also have been stimulated by their connection with the Jacob Schmidt Brewing Company and its sales agencies in rural Minnesota, North Dakota and Wisconsin.

The brewery, and sometimes the Bremers personally, owned land or buildings used by these agencies and their outlets.

The brewery's involvement in rural communities created important connections for Otto Bremer and the bank. The bankers in these communities became acquainted with the Bremers so it was natural for them to turn to the American National Bank as their big city corresponding partner bank. They also turned to Otto in times of trouble for financial advice and assistance. As his relationship with the rural communities became closer it became a bigger part of his life. He pledged his loyalty to these small towns and their banks and his faith in them never wavered.

In the days when Otto Bremer was establishing these connections with the country banks, agriculture was a major industry in the United States. In states served by the American National Bank, farming and providing goods and services for farmers was the heart of the economy. While the country banks needed the large city banks, it appeared that the city banks were less dependent on the country banks.

Large city banks, such as the American National, made loans to manufacturers, jobbers, wholesalers, retailers, professional people, grain elevators, traders, farmers and cattlemen. This diversity of business made these banks relatively stable. One business or activity could suffer setbacks without destroying the bank's equilibrium. But country banks in agriculturally-based towns dealt almost exclusively with farmers and businesses that were dependent on farmers or farm prices for their success. Most of these country banks were small and personal. The president of a bank was familiar with all of the operations of his bank and he was acquainted with the people who used his bank. Loans were short-term and interest rates were high, usually 12 percent, and based as much on the borrower's reputation as his collateral. One writer referred to loans of those days as character loans. The success or failure of the country bank could be determined by a single element in the economy, farm prices. The business cycle of the country banks followed the agricultural cycle. Loans secured by livestock, crops or other chattels were extended for seed, feed and machinery early in the year and they were repaid in the late fall or winter when the farmer sold his crop. If the farmer made more than his expenses he deposited his cash in the bank.

This disparity in timing between supply and demand for money was leveled off by dealing with a larger diversified city bank which would accept deposits from the country banks when farmers were making deposits in the country bank and would extend loans when the country banks were at the peak of their lending cycle. The banks in this kind of arrangement are called cor-



*Benjamin L. Goodkind*

responding partners and the small bank in the arrangement is known as a correspondent bank.

The country banks shared the farmers' vulnerability to crop failures, natural disasters and changes in the market. The city banks in turn shared these risks with the country banks. As a consequence, the larger banks would check the books and keep an eye on the paper being issued by its correspondent banks. Despite this concern, a series of events over a period of two decades combined to place a great strain on the farm industry and the banks that financed it.

### **The Crisis**

The precursor of the great Depression was the decade of farm problems that began when World War I created a huge demand for American farm products, especially grains. Farmers were advised by government officials that it was their patriotic duty to increase production. They responded by putting more acres into production and converting from horses to tractors and more sophisticated farm machinery to work the larger fields. Farm production increased dramatically in Minnesota, the Dakotas and Montana, the four states served by the St. Paul and Minneapolis banks. In North Dakota the value of farm products increased from \$260,000,000 in 1915 to \$638,000,000 in 1918, and

the average per capita wealth was 50 percent higher than the national average. As a consequence of this soaring farm income, land prices rose rapidly. The tractors and new farm machinery were all more costly than the horses and equipment they replaced. To purchase the higher priced land and equipment farmers sought more and larger loans from country banks. All this activity meant the country banks were making profits. It also meant that their assets were tied up in loans. To meet the rising demand they had to turn to the outside for money, which meant an increase in the correspondent banking business for the American National Bank.

In addition to his participation in these rural banks as an officer of the American National Bank, Otto Bremer was also becoming involved personally. The country bankers and businessmen were turning to Otto Bremer with greater frequency for help in the way of advice or capital. And many times he responded by lending his advice and capital to a country bank in trouble. The policy he followed in his relationships with country banks was described in the September, 1926, edition of the *Ninth District Banker*.

"My interest in any bank is, I believe, a beneficial one to the bank," says Mr. Bremer, "but whether it be small or large each bank must stand on its own footing, employing its own resources, but at times of need and in order to get desirable business, supplemented by my own capital. If any of the banks must borrow money they apply directly to me and to their city correspondent banks only, they do not borrow money among themselves."

"NO COMPENSATION is charged or received by Mr. Bremer for any services rendered to any of the banks in which he is interested. He receives no salaries, nor does he receive any sum in excess of current rates, for moneys loaned by him to the banks."

Because of his personal commitment, Otto Bremer was by 1920 becoming deeply and irrevocably involved in the affairs of the rural banks and the rural communities at a time when they were about to enter a long recession and depression. In 1919 and again in 1920 there were not enough freight cars in the Ninth Federal Reserve District to move the wheat crop. In February, 1920, the Minneapolis Federal Reserve Bank reported in its bulletin that 400 country elevators were closed to farmers because they were unable to move the grain and bank loans had gone up 50 percent in six months. The winter of 1919-1920 was severe and stockmen had to buy feed for their cattle. Much of the money for the feed was borrowed from the banks with cattle as security. The failure to move and sell grain and the declining demand for grain on the export market created a steady demand for cash by the country banks. By November, 1920, the St. Paul and Minneapolis banks



had made loans of \$40 million above normal to their country correspondents and the country bank deposits in city banks were \$35 million below normal.

Farmers held off payments for loans, interest and taxes and did not buy anything they could produce for themselves or do without. The reduction in purchases by farmers began to be felt in the general economy and after general business reached its peak in the early months of 1920 a recession developed. The adjustment to the reduction in demand was quickly reflected in lower wages, lower prices and increased unemployment. Although several of the city banks had to go to the Federal Reserve for money they weathered the change but they emerged with reduced assets and liabilities.

THE ECONOMY in the cities recovered more quickly than the farm economy. In 1923 there was a large grain crop. Unfortunately there was a bumper crop abroad and little demand for wheat for export. The fortunes of the rural banks were one with the fortunes of the farmers in these trying times. Bent on maintaining the public trust in the country banks, Otto Bremer loaned them his good name and his money. Throughout the 1920s banks came into the fold of the American National Bank or the Bremer group. They came in in various ways. The Bank of Wilmar had to levy an assessment against its stockholders to cover some inadequate assets following a crop failure in 1926. Bremer purchased the stock that had been turned in by stockholders who could not afford to pay the assessment. He later became the majority stockholder in the bank. Bremer became involved in a simi-

*The Jacob Schmidt Brewing Company at 882 W. 7th Street, circa 1905.*

lar way in banks in Alexandria and Detroit Lakes. Bremer continued to acquire an interest in these troubled banks until by 1933 he had a large or controlling interest in fifty-five banks in Minnesota, North Dakota, Wisconsin and Montana. These banks were not part of the American National Bank. The Bremer chain of country banks had separate but modest offices in the same building as the American National Bank. The staff consisted of a secretary and a field man.

ALTHOUGH THE BANKS faced severe financial problems, Otto Bremer promised that no depositor would ever lose any money in a Bremer Bank. To make good that promise, Otto paid off heavy assessments on his bank stock and made many voluntary contributions to the banks. Between 1928 and 1933 Bremer paid \$2 million just for assessments. He borrowed against all of his assets to obtain these funds and by October, 1933, he owed more than \$8 million. Otto had pledged his fortune to save the country banks and now his brother, Adolf, put up his assets to save his brother and his banks. Adolf pledged 200 shares of his holdings in the Jacob Schmidt Brewing Company to secure the unsecured portion of Otto's debt and the creditors surrendered the American National and country bank stocks they held as collateral. This move prevented the transfer of Otto's American and country bank stocks to large out-of-town corporations. The brothers also secured a \$2 million loan from the Federal Reconstruction Finance Corporation.

## **The Long Road To Recovery: A Chronology**

During the long farm recession and the Great Depression which followed, the American National Bank enjoyed strong support from the people it served. Deposits grew and the bank continued to expand its services and facilities. This support was an important factor in the bank's recovery from the crisis.

In 1921, the year Otto Bremer became chairman of the board and a year when the farm economy was suffering, the deposits in the bank totalled \$4,230,344.

In 1924, its subsidiary, the Northern Savings Bank, was merged into the bank as the savings department under the direction of Alice M. Du Bord. Deposits totalled \$11,072,860.

In 1929, the bank established a trust department. The bank was now providing complete banking services to both individuals and businesses. At the end of the year deposits were \$17,244,012.

In 1934, Adolf Bremer and the Schmidt Brewing Company restructured Otto Bremer's debt to avert any danger to the bank.

In 1936, the Schmidt Brewing Company became a major investor in the American National Bank as the result of an agreement negotiated between the federal Reconstruction Finance Corporation, the bank and the brewery. The brewery agreed to purchase stock held by the R.F.C. as collateral for a loan to Otto Bremer. He had used the proceeds of the loan to purchase stock in the bank to increase its capital. Otto and Adolf Bremer retained control of the bank because they controlled the stock purchased by the brewery. They controlled the brewery through their own stock and their positions as the trustees of the Marie Bremer Trust fund which had been created in 1929 with half the shares in the brewing company.

On October 9, 1939, Adolf Bremer died of a heart attack in Seattle, Washington. Otto Bremer assumed the presidency of the Jacob Schmidt Brewing Company.

In 1943, the Otto Bremer Company, a bank holding company, was created to consolidate Bremer's holdings in country banks. The assets included the stock in thirty-seven of forty-three banks in which Otto Bremer held shares and some of his shares in the American National Bank and the Jacob Schmidt Brewing Company. The corporation was set up to protect the banks from being sold to settle his estate. Six months later in 1944 he created the Otto Bremer Foundation, a trust which makes charitable grants to organizations in the communities served by the country banks.

In 1949, he transferred the ownership of the Otto Bremer Company to the Otto Bremer Foundation. The American National Bank is not a part of the Otto Bremer Foundation.

In 1950, his failing health prompted Bremer to resign as trustee of the Marie Bremer Trust. It was this position as sole trustee which had enabled him to control the brewery and the bank. He arranged to be replaced by three trustees, Lawrence A. Carr, Samuel Lipschultz and Bernard H. Ridder.

In 1951, Otto Bremer died.

In 1954, the brewery was sold and a holding company, the Jacob Schmidt Company, was established to retain controlling interest in the American National Bank.

In 1960, trustee Samuel Lipschultz died and in 1965 Lawrence Carr and Bernard Ridder resigned as trustees of the Marie Bremer Trust. They were replaced by trustees appointed by the court from members of the Adolf and Marie Bremer family.

In 1966, George Benz, the husband of Adolf Bremer's daughter, Louise, became chairman of the board of the American National Bank and Trust Co. He served in that position until his death in 1974.

In 1969, the American Bancorporation, Inc., a holding company, was established under the direction of George B. Benz, the son of George and Louise Benz. In addition to the American National Bank, the holding company includes the American National Bank and Trust Company of Moorhead, the Commercial State Bank of St. Paul, the American Bank of Burnsville and the Lake City State Bank.

The bank occupies ten stories of the new building at Fifth and Minnesota Streets, only one block from the site where the original American National Bank opened in 1903 in offices at Sixth and Minnesota Streets in St. Paul.

Grandsons of Adolf Bremer hold important positions in the bank and the bank holding company. George B. Benz, son of the former chairman of the board, is vice president of the American National Bank and the American Bancorporation, Inc. Victor P. Reim is chairman of the board and chief executive officer of the Commercial State Bank and vice president of American Bancorporation.

James W. Reagan, who is married to Adolf Bremer's granddaughter, Renee Reim, is president of the American National Bank and the American Bancorporation.

Today the American National Bank is the largest commercial bank based in St. Paul with assets of \$640 million. The bank has become a leader in aircraft and construction finance, but it has not lost its position as a strong supporter of country banks. Today the American National Bank is the correspondent partner of more than 525 community banks in Minnesota, Wisconsin, the Dakotas and Montana.

*Guild of Catholic Women's garden party. See pages 13-16.*



*Otto Bremer. See pages 3-12.*

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*Lexington Ball Park. See pages 21-22.*



*Fritz Woost's grocery. See pages 17-20.*

*The Gibbs Farm Museum, owned by the Ramsey County Historical Society, at Cleveland and Larpenteur in Falcon Heights.*



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