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HISTORY OF THE
FIRST NATIONAL BANK
OAKLAND, CALIFORNIA

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HISTORY OF THE
FIRST NATIONAL BANK
OF OAKLAND, CALIFORNIA

1874

1908



. . . by *Russell Lowry* . . .

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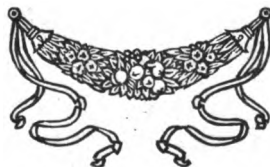
PRESENT HOME OF THE FIRST NATIONAL BANK OF OAKLAND

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|  | A FOREWORD |  |
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UPON the threshold of its thirty-fifth year, in the full prime of its corporate life, the First National Bank of Oakland, California, finds itself established in a banking house worthy of its rank and of the community which it serves.

At such a time, it is but natural to take a glance backward over the years that have passed, to review the events that have marked the growth of the bank, step by step with the growth of the city, to scan the substantial present and look forward to the hopeful future. And so this little book is presented to the public, in the hope and belief that those who take pride in the attainments of the city of Oakland may find interest in the record of one of its oldest and solidest institutions.





THE BUILDING



IN June, 1908, the First National Bank of Oakland left its old quarters at Tenth and Broadway streets, which it had occupied for more than twenty-five years, and moved into its new building at Fourteenth street, San Pablo avenue and Broadway street, occupying the ground floor of the building. The site is the most commanding in the entire county of Alameda, being at the junction of three great arteries of travel, so that every person coming from the residence districts of Oakland, Berkeley or Alameda, either passes the building in transit or leaves the cars there to transfer to another line.

The principal railroad stations are but a short distance away. The City Hall Park lies just across the street; the Post Office is one block distant. In the very heart of the retail shopping district, all stores and office buildings, telegraph and express offices, are readily accessible from the bank corner.

On the San Pablo side, the office windows command a magnificent view of the bay, looking across to the water-front and the hills of San Francisco. From the Broadway windows, an equally attractive view of Lake Merritt and the Berkeley hills is presented. To the south extends the mercantile district,

with a glimpse of the harbor beyond, and the masts of a hundred ships lying at anchor or loading at the docks.

The building is of fireproof construction, with reinforced concrete for all structural work. The finished exterior is of California white granite to the second story, with ivory white terra cotta above that. The windows in the northerly courts are of metal filled with plate wire-glass, giving the highest security in case of fire from adjoining buildings. Other faces of the building are protected by the ample width of the streets. In short, the structure is as nearly fire-proof and earthquake-proof as architectural ingenuity and mechanical skill can make it.

The banking quarters are fitted with Italian marble, from the quarries of Pavonazzo, and the cages are of finely finished bronze which harmonizes perfectly with the marble. In the officers' quarters, the interior finish is of solid mahogany, with desks and other furniture to correspond. The same material is used in the coupon booths incidental to the safe deposit department. Special provision is made for women depositors, who may enter directly from the street to a waiting room arranged for their convenience and transact their business with a teller appointed for no other purpose.

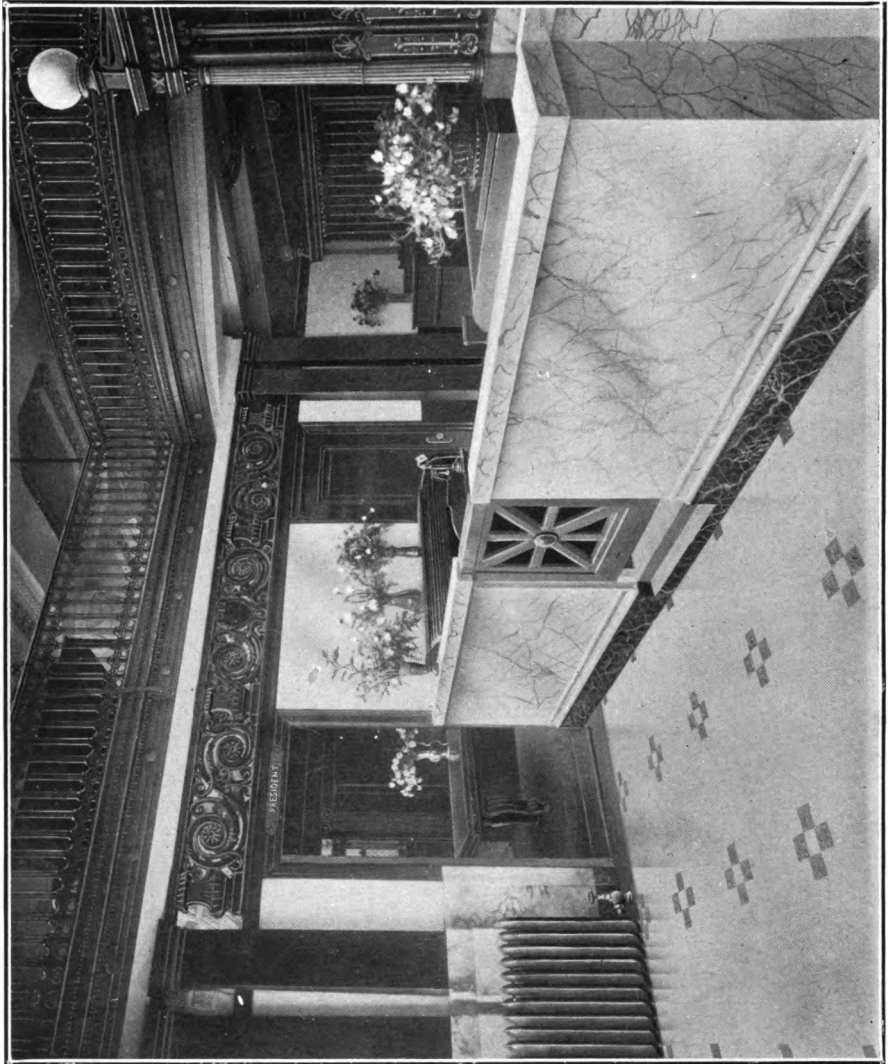
Above the first floor, the entire building is devoted to offices. Every modern device of comfort and convenience is supplied, including electric light and power, hot and cold water, marble

lavatory, oak wardrobe, steam heat, compressed air and vacuum cleaning service. Entrances from Telegraph avenue and San Pablo avenue give access to two elevators reaching to the upper floors.

The First National Bank building is today the finest structure of its type in Oakland. Probably within a few years it will be surpassed by many larger and perhaps finer buildings, as the commercial needs of the city extend and widen. The erection of this pioneer of concrete construction is merely one evidence of the abounding faith which the directors of the bank have in the future of Oakland. With its surpassing advantage of location at the meeting-place of rail and ocean transportation, "facing the Orient with its hundreds of millions of population, and backed by eighty millions of American people", the city is destined to make marvellous progress in the years to come, even as it has in the years that are gone.

Within the memory of men now living Oakland has grown from nothing to a city of 237,000 people; and within the life of men now living it will grow to a population of one million. The policy of the First National Bank is to give active aid to that growth, to maintain an institution that will be a credit to the city of the future, as it is to the city of today.





OFFICERS' QUARTERS AND PRESIDENT'S ROOM

 **THE PRESENT** 



FOR thirty-four years the business of the First National Bank has been confined almost exclusively to the field of commercial banking. Its deposits are very largely those of business men and concerns, and its loans are for the most part on short-time paper, secured by collateral or by the personal worth of the borrower.

The board of directors have exercised close and constant supervision over the affairs of the bank, and have been well qualified for this work by long and successful experience in various lines of trade and industry. The present board of directors is composed as follows:

A. L. Stone, of E. B. and A. L. Stone, contractors.
E. W. Runyon, capitalist.

Wallace Everson, President of Pacific Surety Company.

P. E. Bowles, President of First National Bank; President of American National Bank of San Francisco.

L. C. Morehouse, Vice-President of First National Bank; President of Bank of San Leandro.

L. G. Burpee, Vice-President of First National Bank.

E. A. Heron, President of Oakland Traction Co.

W. H. Taylor, of Taylor & Co., wholesale lumber.

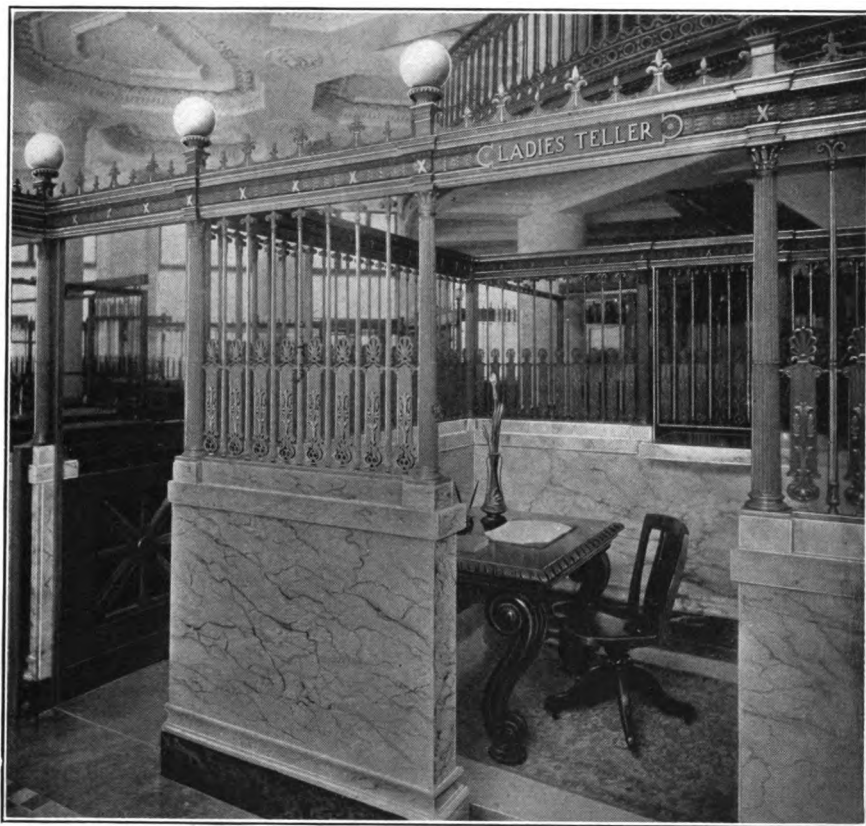
H. C. Morris, capitalist.

The capital stock of the First National Bank is now \$300,000, though steps have been taken to increase this to \$500,000 before the end of 1908. The surplus and undivided profits are \$250,000, and the deposits about \$3,000,000. Originally the capital stock was \$100,000, but fifteen years ago a stock dividend of \$150,000 was declared and taken from the net earnings, and \$50,000 new capital was added. Stockholders have received regular dividends without interruption, almost from the very beginning.

SAFE DEPOSIT VAULTS.

The popularity of safe deposit vaults for the keeping of valuable papers, jewelry, etc., has greatly increased in the last few years. The proven strength of these structures, defying earthquake or fire, as shown in the San Francisco disaster two years ago, has brought them into public notice and favor, and it is one of the recognized functions of a bank to provide its patrons with such facilities.

Taking this view, the First National Bank has installed in its new banking rooms a thoroughly modern equipment of safe deposit boxes, of varying size and purpose. Contrary to the usual custom, the safe deposit vault is on the ground floor, easily accessible from the street, while the basement contains a storage vault for the safe-keeping of valuables in bulkier packages. Coupon booths and other conveniences insuring comfort and privacy are provided.



LADIES' DEPARTMENT



P.E. Bowles, President

L.C. Morehouse, Vice-President

L.G. Burpee, Vice-President

OFFICERS OF THE FIRST NATIONAL BANK



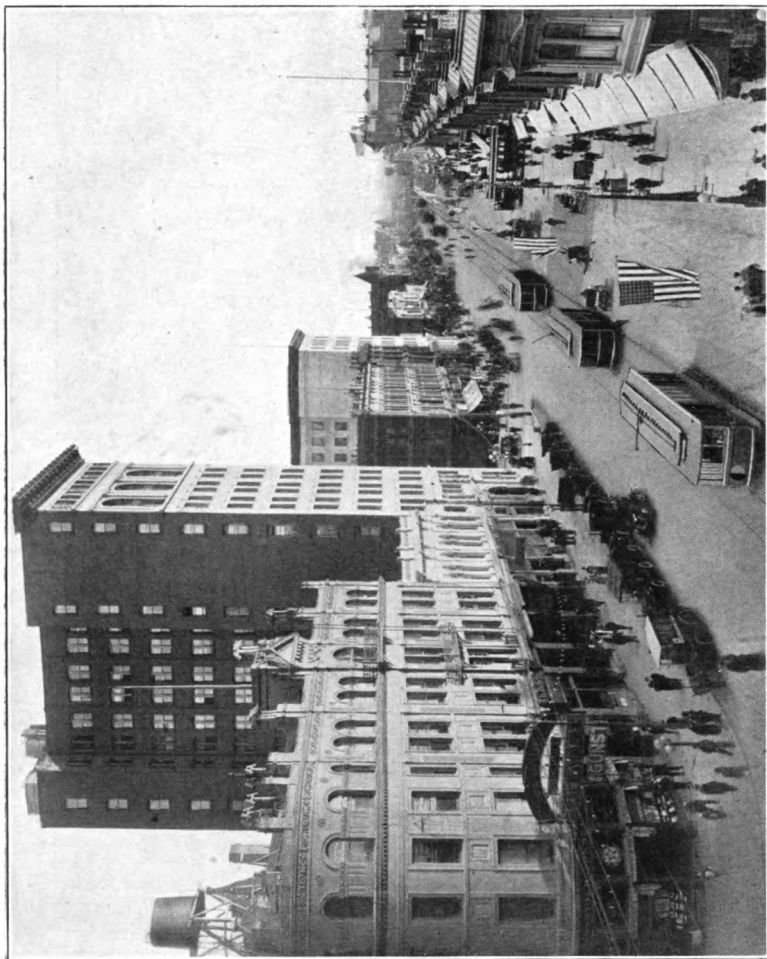
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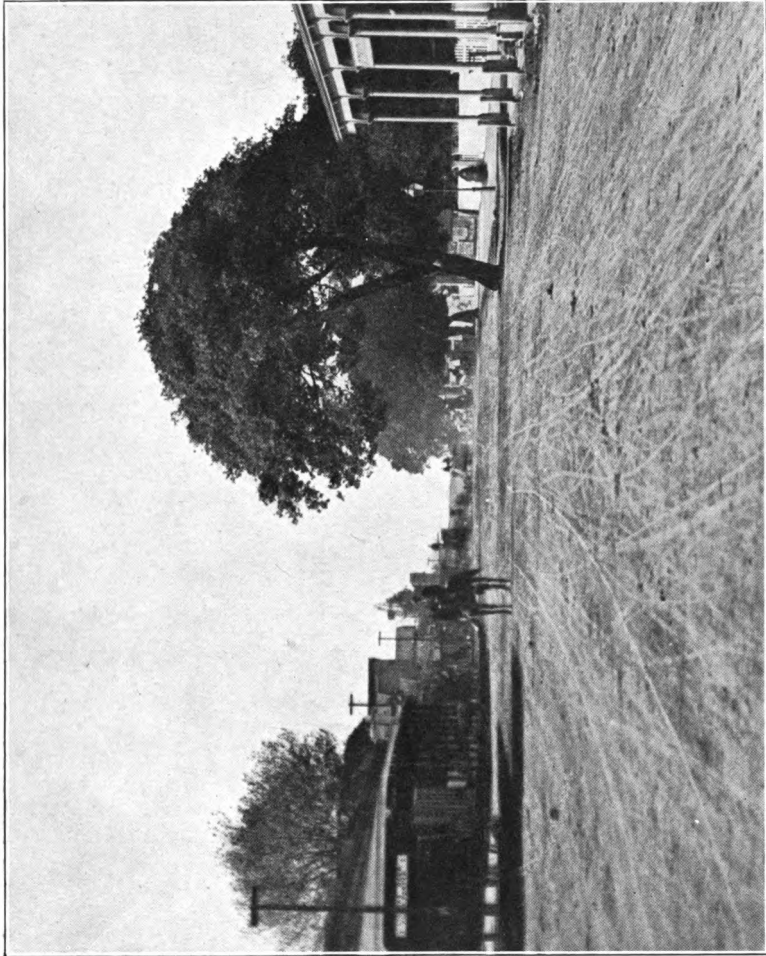
MAIN BANKING



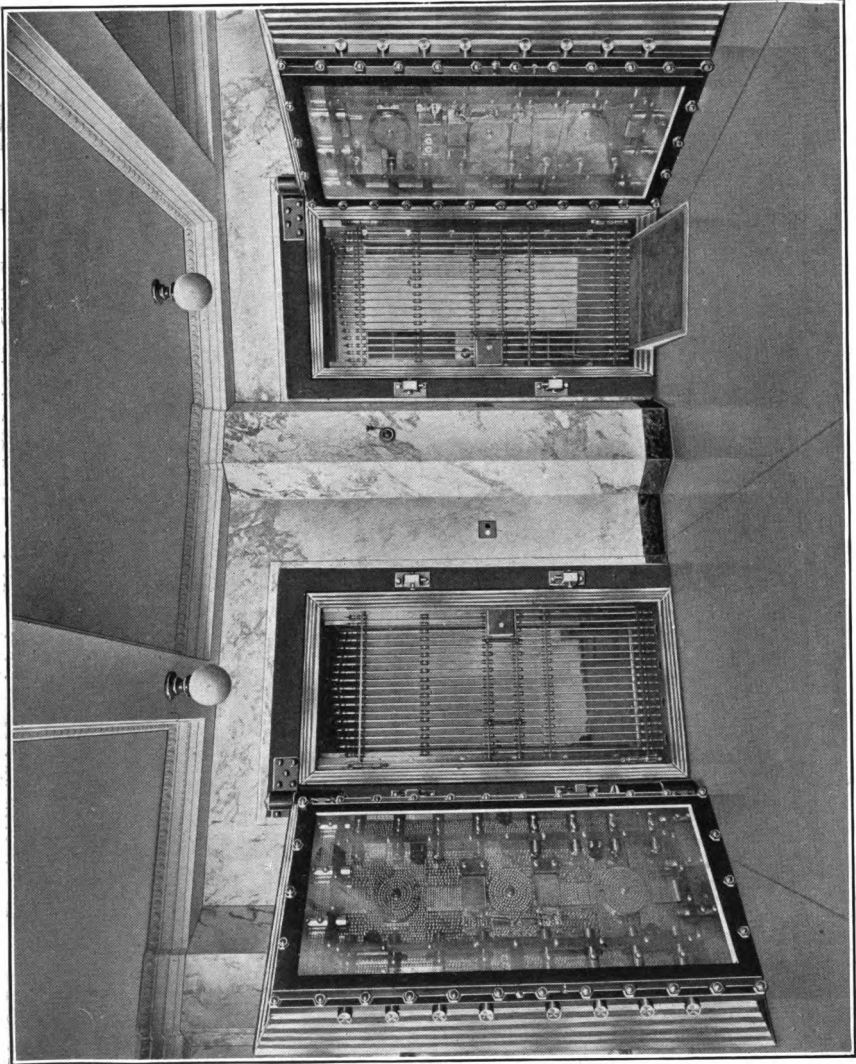
ROOM



BROADWAY IN 1908, LOOKING SOUTH FROM FOURTEENTH STREET



BROADWAY IN 1869, LOOKING SOUTH FROM FOURTEENTH STREET



VAULTS OF THE FIRST NATIONAL BANK

BOND DEPARTMENT.

A bank is frequently consulted by its customers in regard to the purchase of securities for investment, and it is desirable in such cases that the fullest information be available, so that the customer may form an intelligent judgment concerning his prospective purchase. To this end, the First National Bank has established a bond department, through which it buys and sells securities for its own account, or for others. The bank does not guarantee the bonds sold by it, and rarely urges the purchase of any particular issue, but its policy is rather to place at the disposal of the buyer all the facts obtainable, so that he may properly decide for himself.

FIRST TRUST AND SAVINGS BANK

From the earliest history of Oakland, its people have been of a thrifty, provident character, and savings banks have been deservedly popular as the instrument by which small accumulations might be conserved and made to assist in the development of the community, while at the same time yielding a profit to the depositor. The conservative and successful management of existing institutions has contributed greatly to this result.

Recognizing that the rapid growth of the city creates an ever-increasing demand for savings bank facilities, and an ever-widening field for this form of enterprise, the interests in charge of the First National Bank have organized the First Trust and Savings Bank of Oakland, with a capital stock of \$300,000.

While the two institutions are under the same control and management, they are entirely independent and distinct, having separate capital, separate officers, separate quarters, and, generally speaking, different aims and purposes.

Trust Department.

The custom of placing the administration of trusts in the hands of corporations organized for that purpose has become quite general in the past few years, and the recognized economy and efficiency of this method is bringing it more and more into popular favor. The range of service rendered is very broad, and of the highest value.

To enumerate briefly the functions which the First Trust and Savings Bank of Oakland is prepared to perform, it may be stated that it will execute testamentary trusts; act as the guardian of minor children; conserve the estates of spendthrifts and incompetents; act as agent for the care and management of the real and personal property of individuals; serve as custodian of securities of absentees; act as stock transfer agent of corporations, as register of stock, as trustee and mortgagee under trust deeds or mortgages securing issues of bonds; as assignee and receiver, and as depository in the reorganization of legitimate corporate enterprises.

The quarters of the First Trust and Savings Bank are in the first floor of the new building, opening from San Pablo avenue. The fixtures are of marble and bronze, and the furniture of solid mahogany.



BUILDING AT BROADWAY AND TENTH STREET, HOME OF THE FIRST NATIONAL BANK FOR TWENTY-FIVE YEARS

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|  | THE PAST |  |
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O the casual observer, the city of Oakland has all the appearance of an old community. The giant oaks and palms shading well-paved avenues, the rose-covered stone gateways leading to fine old mansions set in beautiful lawns and gardens, the broad business streets lined with low-built blocks which typify the solid and substantial character of the men who occupy them, all suggest the product of many generations of growth.

Yet there was a time within the memory of men now living when the entire region between the hills and the bay was destitute of houses, and formed the pasture-ground for herds which had more value than the land they roamed upon. Until 1850, only the tramping of wild cattle and the shouts of an occasional vaquero disturbed the silence of the beautiful plain stretching along the bay from Berkeley to San Leandro.

The original site of Oakland was known as the "Encinal de Temescal," which means, literally translated, "the oak-covered peninsula of the sweat-house," taking its name from an Indian sweat-house which stood near the place where Forty-fifth street now intersects Telegraph avenue. The peninsula was the property of its sole resident, Don Vicente Peralta, the son of Don Luis Peralta, a brave old soldier of the Spanish regime, who in 1820 had received from his grateful government a land grant of princely dimensions, which later he apportioned among his sons.

How Vicente was defrauded of his possessions by unscrupulous Americans, whose efforts were made easy by vague land laws and a complaisant judiciary, has no part in this narrative, but within six years from the gold discovery, enough people had been attracted by the natural advantages of the location and the splendid possibilities of its future, to form the town of Oakland, which was incorporated in 1854.

For the first ten years, growth was very slow; the second decade saw a more rapid increase, and in 1874, when the First National Bank began its existence, the number of inhabitants had risen to about 20,000. The bank was the outgrowth of the Alameda County Savings and Loan Society, which commenced business under a state charter on August 1, 1874, and was among the earlier financial institutions of California.

The society occupied a room in a one-story building at 969 Broadway, near Tenth street. The choice of location was somewhat criticised; as nearly all the business houses were farther south, toward the wharf, and the region beyond Twelfth street was dotted with houses only at occasional intervals as far as Thirty-sixth street, where the farming country began. The junction of Fourteenth street, San Pablo avenue and Telegraph avenue (which was then called Telegraph Road, because it was the route of the only telegraph line running into Oakland), the present site of the new First National Bank building, was the homestead of G. C. Potter, and was one of the show places of the town. Across the street to the south was a beer garden; a mill occupied the present site of the Union Savings Bank, and there was an immense roller-skating rink on Eleventh street, running through to Twelfth, between Broadway and Washington.

The original capital of the savings and loan society was \$100,000, and the officers were B. F. Ferriss, president; A. Everhardt, vice-president; G. M. Fisher, cashier; and A. D. Thomson, secretary and accountant. These comprised the entire office force. Mr. Ferriss, the organizer of the institution, was very prominent in the affairs of Oakland, having been Mayor in 1865, and several times a member of the City Council.

In May, 1875, the bank was reorganized under the national system, as "The First National Gold Bank of Oakland, Cal." The capital was maintained at the same figures, and the staff remained unchanged except for the substitution of I. W. Knox for A. Everhardt as vice-president. This was one of the few "gold banks" created, there being but nine in the entire United States,—eight in California and one in Boston.

At that period, United States currency was greatly depreciated, and even silver money was at a discount over gold coin. California, however, stuck rigidly to its gold standard, and all promissory notes and similar obligations were specifically drawn "payable in U. S. gold." Under these conditions, no California banks cared to enter the national system and issue notes which were certain to circulate at a discount, if, indeed, they circulated at all. To obviate this difficulty, Congress passed a law authorizing the organization of "gold banks" under the national system, which might take out circulation redeemable in gold coin, by the deposit of United States bonds bearing interest payable in gold. There was a severe restriction, however, in the fact that only 80 per cent. of the value of the bonds could be issued in bank notes, whereas other national banks were permitted to issue 90 per cent.

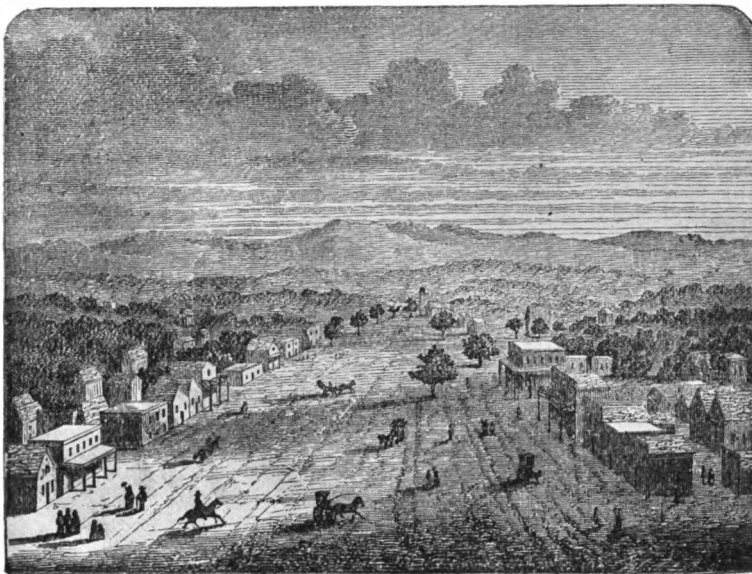
The national gold banks continued in operation until the government resumed specie payments, thereby restoring greenbacks to a parity with gold. After that there was no longer any reason for their special character, and they became like other national banks. In an Oakland paper of March 14, 1880, appeared this item:

"The First National Gold Bank of Oakland has dropped the word "Gold", and is now the First National Bank. It is a solid institution, well managed and popular."

In the meantime, there had been a change in the ownership and control of the bank. Early in 1876, Mr. Ferriss was succeeded by V. D. Moody as president, and B. F. Mann became vice-president. A few years later Mr. Fisher resigned his position as cashier, and subsequently held the office of City Treasurer for several terms. In 1891, President Moody resigned, and was succeeded by A. D. Thomson, who had occupied in turn the offices of assistant cashier and cashier.

Other official changes were unimportant until 1893, when control of the bank was purchased by G. W. McNear and associates. Mr. McNear became president, and P. E. Bowles vice-president. Three years later Mr. Bowles was elected president and Mr. McNear vice-president, but the latter was in 1903 succeeded by L. C. Morehouse. In 1906, L. G. Burpee was advanced from the position of cashier to that of vice-president, and E. N. Walter became cashier. Since that time no changes have been made in the official staff, which is as follows:

P. E. Bowles, president; L. C. Morehouse and L. G. Burpee, vice-presidents; E. N. Walter, cashier; S. H. Kitto and C. N. Walter, assistant cashiers.



OAKLAND IN 1852, LOOKING NORTH FROM BROADWAY WHARF (From an old print)

Of those early officers who organized the bank in 1874, the sole survivor is A. D. Thomson, now manager of the bond department. There still remain, however, a few of the first stockholders. Among these is Harry Morse, then sheriff of Alameda county, and now at the head of the Morse detective agency. Mr. Morse is famous for the clever capture of many desperate criminals in the days when law and order were not so well established as they are now. On more than one of these man-hunting expeditions Sheriff Morse was accompanied by L. C. Morehouse, then constable, and now vice-president of the First National Bank.

Many of the early stockholders were bluff old captains of whaling vessels. In the winter their oily ships were snugly berthed in Oakland harbor, while the skippers crossed the continent to their homes in New Bedford. Many of them, however, wearied of the annual pilgrimage across the country, and established themselves in permanent homes in Oakland. Seeking investment for their earnings, which in prosperous times were very large, they were among the first to buy stock in the First National Bank.

Although the profits of the whalers were generous, their risks were correspondingly great, and sometimes the ships would be caught in the ice and slowly ground to pieces, leaving the crew to escape as best they could, or not at all. Such a fate befell one of the early stockholders of the bank. Leaving Oakland harbor in the spring, he was spoken by another whaler in the Arctic, and that was the last ever heard of ship or captain. After many years the courts declared him legally dead, his estate was administered upon, and his property divided. Among his assets were shares of stock in the First National Bank, which are held by his heirs to this day.

Those who bought stock in the beginning and retained it have realized handsomely on their investment. Commencing with a capital of \$100,000, one-half of which was paid up, the bank has during the thirty-four years paid dividends on this capital (and its capitalized earnings) amounting to \$419,250, declared a special stock dividend of \$150,000, and has today a surplus fund of \$100,000, and an undivided profit account of over \$145,000. As an example, granting that in 1874 a man purchased one share of stock and still has his holdings—

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| His share of stock cost him | \$100. |
| In 1892 a stock dividend of 150% was declared, giving him free 1½ additional shares of stock. | |
| He has received in dividends up to the present time | \$419,250 |
| His 2½ shares are now worth \$180 per share | \$450. |
| Total value received from \$100 investment | \$869,250 |

The following figures will show what has been accomplished by the bank since the beginning of 1893, or during the present administration:

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| Surplus and Undivided Profits at this time | \$245,822. |
| " " " in 1893 | 29,664. |
| Gain | \$216,158. |
| Paid in dividends during this period, at 6% | 270,000. |
| Charged to Profit and Loss assets actually worth | 33,174. |
| Net earnings in the 15 years | \$519,332. |
| An average per year of | 34,622. |
| Or an average net income per annum of 11½%. | |

Since the San Francisco disaster, two years ago, the following showing has been made by this bank:

| | |
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| Surplus and Undivided Profits increased | \$137,871. |
| Paid in dividends | 36,000. |
| Charged to Profit and Loss assets actually worth | 29,174. |
| Net earnings in two years | \$203,045. |
| An average per year of | 101,522. |
| Or an average net income per annum of 33¼%. | |

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