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Sourisseau Academy

Smith-Layton Archive presents:

Early Banks

by Michael Hurley

Les Amis (The Friends)

January 2018

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[1] **Knox & Beans Bank.** In 1865, after making a fortune in hydraulic mining on the South Yuba River, Dr. William J. Knox moved to San José and built the Knox Block. Located on the northwest corner of First and Santa Clara Streets, the Knox Block served as San José's principal office building for many years. In 1866, Knox and his brother-in-law T. Ellard Beans established the Knox & Beans Bank, San José's first, in the Knox Block. Reorganized and incorporated as the Bank of San José in 1868, the bank remained here until 1872 when it moved into its new three-story building directly across First Street. The Knox Block was demolished in 1945 and replaced by the J. C. Penney's department store.



[2] **1872 Bank of San José Block.** This building on the northeast corner of First and Santa Clara Streets, completed in early 1872, was the office of the Bank of San José until it was severely damaged in the great earthquake of April 1906. The clock tower, facing in four directions and visible from blocks away, was a San José landmark for many years. T. Ellard Beans, who served as its president from 1871 until his death in 1905, was succeeded by his son, William Knox Beans.



[3] **San José Safe Deposit Block.** The first occupant of the 1872 Safe Deposit Block, on the southeast corner of First and Santa Clara Streets, was Edward McLaughlin and C.T. Ryland's McLaughlin & Ryland Bank, founded in 1869 in the extant building at 32 East Santa Clara Street. McLaughlin and Ryland remained in the building at First and Santa Clara until 1874 when they formed the Commercial and Savings Bank, along with Martin Murphy Jr. In 1883, McLaughlin bought Ryland's interest in the building and sold his interest in the bank, which moved across the street to the Knox Block. McLaughlin and other investors formed the San Jose Safe Deposit Bank of Savings in this building in April 1885. A few months later, \$10,000 in gold coin was lost in a daring mid-day robbery and never recovered. The Safe Deposit Bank occupied this building until a 1917 merger transformed it into the Bank of Italy's main San José branch. In 1925, the building was demolished to make way for the existing 1927 Bank of Italy/Bank of America tower.



[4] **San José Savings Bank.** In 1873, the San José Savings Bank moved to this location (286 Santa Clara Street at that time; renumbered 20 West Santa Clara in 1884). The bank, incorporated in 1868, had originally been located in the Hensley Block at the southwest corner of Santa Clara and Market Streets. In May 1880, bank secretary Robert Krieg, suspected of embezzling \$16,000, died by suicide; however, the missing money was later found in the vault. In November 1880, the bank went into liquidation with full recovery to depositors and partial recovery to investors. After the Home Mutual Insurance Company was located here for several years, the building was the third home of the Commercial and Savings Bank from 1897 to 1900. The First National Bank's 1928 addition was built on this site.



[5] **Farmers Union Bank.** The Farmers Union was organized by local farmers in 1874 to buy and sell hardware, groceries, produce and other supplies. Its officers and directors also operated the Farmers Union Bank. It remained at its initial location in the Pfister Building at the southeast corner of Second and Santa Clara Streets from 1874 to 1877.

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[6] **Farmers National Gold Bank.** In July 1874, the Farmers National Gold Bank of San José was one of ten U.S. banks – nine of them in California – chartered between 1870 and 1875 with authority to issue bank notes redeemable in gold coin. The bank occupied this building, on the southwest corner of First and Santa Clara, from 1875 until 1911 when it was replaced in the same location by a nine-story tower, at that time the tallest building in San José except for the light tower at the corner of Market and Santa Clara Streets. In 1880, when all bank notes in the U.S. became convertible to gold or silver, the bank changed its name to the First National Bank of San José.



[7] **1877 Farmers Union.** In 1877, the Farmers Union moved to the northwest corner of San Pedro and Santa Clara Streets from its original location three blocks to the east. Its Farmers Union Bank operations were suspended in October 1912.



[8] **Paul Building.** Located on the southeast corner of Fountain Alley and First Street, the Paul Building (right) was constructed by pioneer attorney, Delphin M. Delmas, and it housed his office on the second floor, and the James Hart & Sons dry goods store on the street floor in this photo. The building was the second and final home of the Union Savings Bank, which was founded in 1888 and moved to this location in 1892. It was closed by the state banking commission in 1899 with substantial losses to depositors. At that time the bank's president was city councilman Henry Ward Wright, chair of the council's finance committee and son-in-law of former mayor Bernard D. Murphy. As the bank liquidated, Wright was succeeded by political boss James W. Rea. From 1900 to 1907, the Paul Building was the fourth home of the Commercial and Savings Bank, with Bernard D. Murphy, president, serving in that capacity since its inception except for one term.



[9] **Garden City Bank.** The Garden City National Bank was founded by Mayor C. W. Breyfogle and a group of business leaders in 1887. The name was changed to Garden City Bank and Trust in 1893. Located at the Wilcox Block at the northwest corner of First and San Fernando Streets until 1907, it moved across the street to this new building on the southwest corner, considered San José's first "skyscraper." The bank remained here until a series of mergers and acquisitions, beginning with its 1922 merger with the Mercantile Trust of San Francisco, led to it eventually becoming a part of the modern Wells Fargo Bank. Its last president, Thomas S. Montgomery, had been a director and officer since 1887, and for 50 years thereafter was the most significant developer of downtown San José.

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[10] **Beans Building.** After the Bank of San José's three-story building on the northeast corner of First and Santa Clara Streets was damaged in the April 1906 earthquake, it was replaced in 1907 by the five-story Beans Building. This was the bank's home until it was acquired by the Bank of Italy in early 1927. T. Ellard Beans and his son, William Knox Beans, served as presidents of the bank from 1871 until 1927. All of the bank's accounts were transferred into the Bank of America in 1930. The Beans Building was demolished in 1947 and replaced with Roos Atkins' department store.



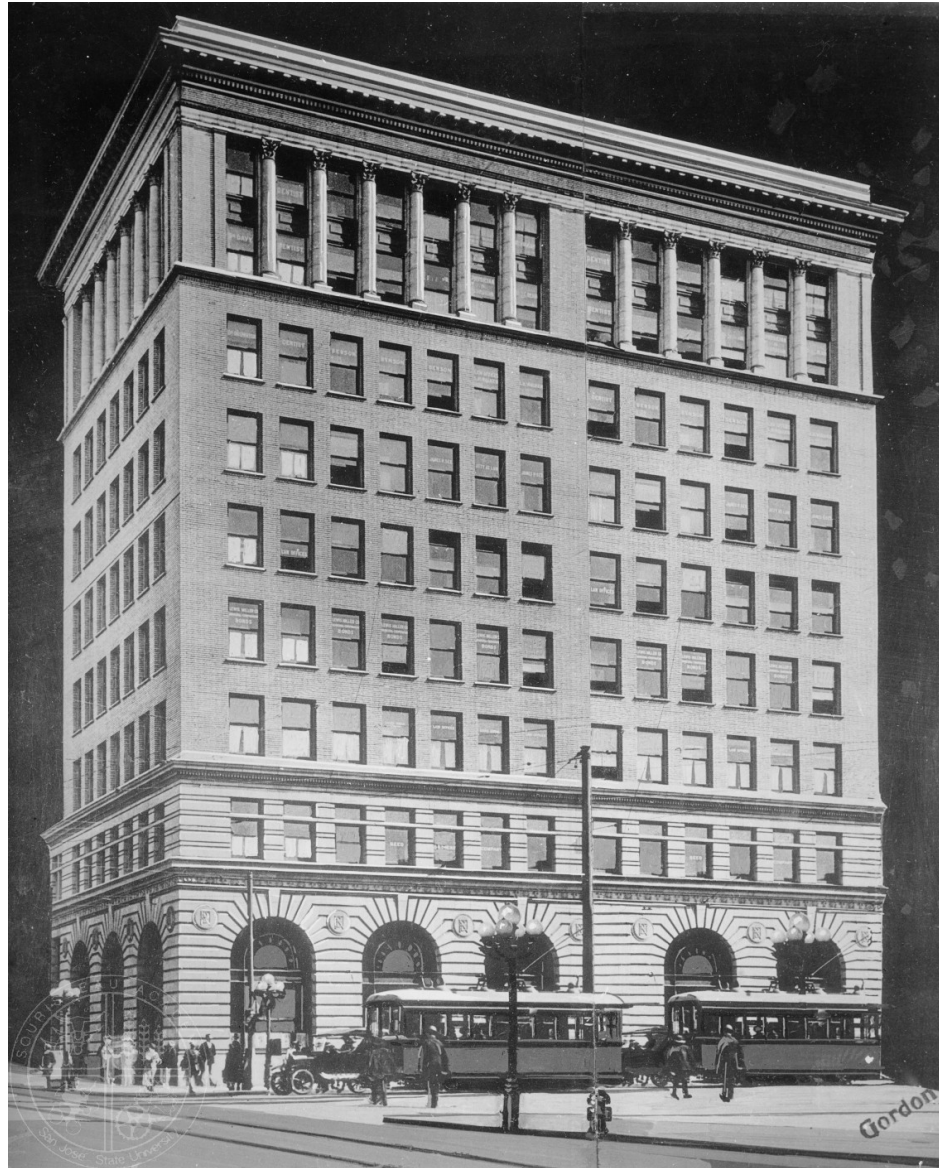
[11] **Bank of Italy Branch.** Through the 1890s, the Commercial and Savings Bank, under president Bernard D. Murphy, struggled with issues of insufficient reserves and questionable loans. Its final location from 1908 to 1909 was 60 West Santa Clara Street at Lightston Alley. (This building still exists under a later façade, now addressed as 64 W. Santa Clara Street. A replica of its earlier appearance can be seen in Kelly Park.) In 1910, using a novel legal approach under section 31 of the 1909 California Bank Act, San José native A. P. Giannini acquired the bank as the first branch of his Bank of Italy outside San Francisco. A torrent of mergers and acquisitions ensued which would make branch banking dominant in California by 1930. Under Giannini's leadership the Bank of America went on to become the largest bank in history.

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[12] **Security State Bank 1909-1926.** Organized out of the savings department of the First National Bank in 1891, the Security Savings Bank merged into the new Security State Bank in 1902, occupying the original McLaughlin and Ryland Bank at 32 West Santa Clara Street. In 1909, the bank relocated to the old Hester Block at 46-48 (now 48-50) South First Street from 1909 to 1926. In this image of a parade celebrating the end of World War I, the bank's signage can be seen in the foreground on the wall of the two-story Tiny Building at 52 South First Street. The bank is the one-story building to the left of the Tiny building. All buildings shown in this image down to San Fernando Street still exist.

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[13] **1910 First National Bank Building.** In 1910, after occupying the same two-story building at the southwest corner of First and Santa Clara Streets since 1874, the First National Bank of San José built a new nine-story building on the same site. At that time it was San José's tallest building. In 1928, an addition was completed, expanding the bank to include the former site of the San José Savings Bank. (In this image from the 1920s, the addition is the portion to the right of the utility pole.) Innovations included women tellers after World War II, drive-up windows in 1950, and the first bank credit card west of the Mississippi in 1953. A series of mergers and acquisitions eventually led to the First National becoming a part of the modern Bank of the West. This building still exists, sheathed in a 1960s façade.



[14] **South First Street 1926.** Looking north on South First Street in 1926, the Bank of Italy tower is seen under construction in the background, and in the foreground the new first branch of the Bank of San José is seen in the city's theater district. The Bank of San José branch and the De Luxe Theatre were located where the U.S. District Court now stands. As buses came into service, San José's extensive street rail grid was abandoned by 1938, and the tracks torn up. The light rail tracks now running along First Street were replaced at great expense in the 1980s.



[15] **Security Bank and Trust Co. 1926-1928.** In 1926, the Security State Bank changed its name to the Security Bank and Trust Company and moved down the block from 46-48 South First Street to the Ryland Block at the northeast corner of San Fernando Street. Built by C. T. Ryland in 1866, the building housed the Lick House Hotel at the time of the 1892 fire. The building was rebuilt, utilizing the original brick walls, and adding a story in 1893. Known as the Security Block, the building still exists, the upstairs interiors having been restored as well as the exterior. After merging with the Bank of Italy in 1928, the bank remained at this location until 1930, when it became a branch of the Bank of America. The branch was later moved to 280 South First Street, where it was demolished to build the U.S. District Court building.



[16] **South First Street 1927.** Looking north on South First Street in 1927, a portion of the Garden City Bank is seen along the left edge of the image. In the background on the left, the First National Bank's addition is under construction on the former site of the San José Savings Bank. On the right is the recently completed Bank of Italy tower, which became the main San José office of the Bank of America in 1930, and still exists substantially unchanged externally.

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[17] **Branch Banking Era.** After the failing Commercial & Savings Bank was acquired by A. P. Giannini's Bank of Italy in 1909, becoming that bank's first branch outside of San Francisco, the pace of bank acquisitions and mergers increased; and by 1930, all of San José's most important early banks had become branches in bank systems headquartered elsewhere. This photo shows the 1907 Bank of San José, the 1927 Bank of Italy and the Security Savings Bank, whose signage is located on the side of the Odd Fellows Hall.