

## THANKS FOR THE MEMORIES

# History: Bank founder's Palm Springs roots

Tracy Conrad Special to The Desert Sun

Amadeo Pietro Giannini had seen disaster before. He'd survived an earthquake, the stock market crash and world war. And he'd done so with remarkable aplomb and grace.

His childhood had been marked by struggle due to the violent death of his father. When his mother remarried, Giannini, who was known as "A.P.," left school and worked furiously to build his stepfather's produce business, eventually taking over, making it a success and selling his interest to his employees.

Retiring at age 31, Giannini had proven himself resourceful, industrious, and deeply devoted to the greater good.

Born in 1870 to immigrant parents, Giannini was already a wealthy man when he started the Bank of Italy in downtown San Francisco in 1904. His father-in-law, Guiseppe Cuneo, owned a large stake in Columbus Savings & Loan, and Giannini served on its board. Misunderstood by the other directors, he was forced to quit over his intentions to serve "the little fellow" at a time when established banks refused such customers, catering only to the wealthy. Giannini envisioned offering banking to everyone of good character, including immigrants, never forgetting his own modest beginnings.

His new Bank of Italy was started in a saloon directly across the street from Columbus Savings & Loan. His first day garnered more than \$8,000 in deposits, by the end of its first year, the bank had more than \$700,000.

In 1906, San Francisco was leveled by a catastrophic earthquake. Fire engulfed the city, but not before Giannini was able to remove all the bank records and deposits, disguising them in a garbage wagon that trucked them safely to his home in San Mateo some 18 miles away.

While other banks could not dare open their overheated vaults without risking combusting the contents, Giannini immediately set up a makeshift operation. Proclaiming that San Francisco would rise from its ashes, he began offering loans to small business owners interested in rebuilding the city. For weeks, his was the only operating bank in the city. Giannini reported years later that loans were given with a handshake and that every loan was duly repaid.

The bank's success enabled expansion. Giannini conjured up the notion of branch banks and began serving "little fellows" all over the state. By the mid-1920s, Giannini's bank was the third largest in the country, with hundreds of branches.

When the stock market crashed in 1929, he was unfazed. He'd previously invested in a regional bank in Los Angeles and after the crash merged his Bank of Italy with it, renaming the resultant company Bank of America.

Just then, at the very start of the Great Depression, only one month after the crash, Bank of America opened a branch in Palm Springs.

Giannini believed so strongly in the future of the desert that he waived the usual requirement that local residents pledge deposits totaling at least \$200,000 before opening a branch.

The nearest bank had been in Banning. Years later, manager Fred Ingram, who was recruited from the Hollywood branch in 1932, recalled that before Bank of America arrived in Palm Springs, "most natives deposited whatever surplus funds they were fortunate enough to have in the traditional mattress, pickle jar or sock."

Initially located at 201 N. Palm Canyon Drive, the bank's first manager was Phillip L. Boyd and first depositor was landlord Zaddie Bunker, later to be known as Palm Springs' Flying Grandmother. The first savings account was opened by Earl Strebe, owner of the town's two movie theaters. "Providing metropolitan banking service to residents of the desert" won rapid acceptance despite the Depression.

Over the next two decades, Giannini would invest in California's industries. He loaned fellow desert resident Walt Disney funds to produce his first full-length animated film, "Snow White and the Seven Dwarfs." He advanced \$1 million to Samuel Goldwyn's "The Kid from Spain" and loaned the Warner Brothers \$500,000 for "42nd Street," which grossed \$3 million. Giannini would eventually finance some 500 films and pioneered the practice of advancing funds to producers and holding the film negatives as collateral.

Giannini bought bonds that financed the construction of the Golden Gate Bridge. He had witnessed the San Francisco earthquake, World War I and the Great Depression; with the whole world at war for a second time during his life, he bankrolled Henry Kaiser's steel production and visited Italy after the war, arranging for loans to help rebuild the destroyed Fiat car factories. He provided capital that launched Hewlett-Packard, which at the time manufactured oscilloscopes, and formed Transamerica Corporation and Occidental Life Insurance Company.

In Palm Springs, the Bank of America branch flourished, its location moved a few times, first to 168 N. Palm Canyon, doubled in size, finally landing at 150 N. Palm Canyon Drive in 1950. By 1964, the branch was one of 846 others in the world's largest banking chain.

Giannini's son, Lawrence Mario, known as L.M. or Mario, succeeded his father. In 1948, Fred Ingram attended a company meeting of 600 branch managers and came home to the desert to report that L.M., now president of Bank of America and a homeowner in Palm Springs, had declared "This world is going to be what Americans make it."

"Opportunity is ours as a nation to bestow upon the world an era of peace and progress," L.M. Giannini said, according to Ingram's account. "The picture is becoming clearer every day. We have fallen heir to the task of exerting world stabilizing influence, a role which comes by default, not of our own ambition."

L.M. took those inherited responsibilities seriously considering all his father had witnessed professionally. Personally, the Giannini family became part of the desert community. Their home was built of poured-in-place concrete clad in native rock and tucked into the Araby neighborhood. (The house featured a vault, which remains today. The home has just been listed for sale for the first time in decades.)



This home at 2350 Araby Drive in Palm Springs was constructed in 1925 and later owned by L.M. Giannini, son of the founder of Bank of America. PROVIDED BY PALM SPRINGS HISTORICAL SOCIETY

From his mountain manse, L.M. surveyed the desert landscape and became involved in local activities and charities. He was a member of both the Racquet and Tennis Clubs. He was president of the March of Dimes and was seen regularly at social gatherings and restaurants about town.

Family members would stay at the Desert Inn and Ingelside Inn when the family house could not accommodate the whole group. According to historian Howard Johns, in 1946, L.M., intending to stay each winter, built a five-bedroom house at 246 West Camino Alturas, across the wash to the west of the rock house.

When A.P. died in 1949 at 79 years old, L.M. was appointed to fill the remainder of his father's term as

chairman. The bank built by serving little fellows had deposits surpassing \$5 billion.

L.M. had planned to retire when he turned 60 in 1954, the 50th anniversary of the bank. But he never made it. Plagued with health problems, he had just driven to Palm Springs when he was flown back to San Francisco and hospitalized. He succumbed to infections at age 57, having endured much. Importantly, he had preserved his father's practice of serving little fellows with integrity.

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