Banking in the western United States was a vague, semi-regulated institution prior to 1900. Banking laws were the responsibility of the individual states and did not inspire public confidence. None of the consumer protection laws we enjoy today, such as deposit insurance or bank liquidity, existed at that time.

The date of formation of a banking institution in Deer Park is uncertain. First State Bank of Deer Park records that the Historical Society has obtained indicate that by 1908 a formal state bank had been chartered and was in operation. A letter in the First State Bank’s files indicate that most of the banks in Washington State were incorporated prior to 1907 (see note #1). There had been a Bank of Deer Park prior to June 1907, which was the date of formation of the office of Washington State Bank Examiner. When this bank began operation, or who organized it, seems to be unrecorded. Vague references seem to indicate that Louis Olsen may have been a part of the early bank. Banks were generally formed by individuals, or groups of individuals, who had enough money to loan out at interest. Terms were generally short, typically 60 to 90 days with relatively high interest rates with simple interest rates of 8% to 9% (in 1909).

Washington State bank formation in the period from 1889 to the 1930s was repeatedly affected by “Panics” or runs on bank deposits in 1893, 1907, and 1920. The worst panic in this period occurred in 1907 (see note #2), and was caused by an attempt to corner

Footnotes:

Segment (and detail enlargement) from the Sanborn Fire Insurance Map — circa 1914 — showing the location of the First State Bank building in downtown Deer Park.

Image #1.

Interior of the First State Bank of Deer Park. (From the Lawrence Zimmerer photograph collection.)

Image #2.

First State Bank of Deer Park

OFFICERS
O. F. Kelly—President
Evan Enoch—Vice President
F. A. Reed—Cashier
Einer Berg—Cashier

DIRECTORS
L. E. Chapman—House Builder
Evan Enoch—Lumber Mill Gen. Manager
Charles C. Gilger—Real Estate Agent
B. A. Hopkins—Lumber Mill Millwright
Thomas Haggert—Williams Valley Farmer
O. F. Kelly—Department Store Manager
O. L. Olsen—Orchardist
F. A. Reed—Lumber Mill Superintendent
W. H. Short—Lumber Mill President
the copper market using stock manipulation of the stock of the United Copper Company (see note #3), overextended bank credit and currency problems. The panic was eased by investor J.P. Morgan pledging large sums of his own money to shore up the banking system. As a result of this economic disruption the United States Congress passed the Aldrich-Vreeland Act in May 1907 that authorized the National Monetary Commission to investigate money problems (see note #4) and allowed banks to issue emergency currency based on certain securities and commercial paper (see note #5). It was at this time that the First State Bank of Deer Park was formed.

An advertisement in the Deer Park Union newspaper listed the officers and directors of the First State Bank of Deer Park in 1911 (see note #6). The name list (see image #3 on page 1619) includes the individual’s occupation taken from the 1910 United States Census listing.

The Historical Society’s bank material contains file box after file box labeled “Statements,” “Receipts,” “Collections,” and “Letters” dated from 1908 to 1922 with several years missing. They are all very dirty with the dust of 100 years of storage in the rooms over Main Avenue business buildings. The “Letters” files are the most interesting providing documents relating to long gone businesses such as the Spokane Pottery Company, the Wild Rose Prairie Farmers Club, and the Wild Rose Orchard Company.

Perhaps some of the most interesting things about these files is the lack of material related to W. H. Short’s Standard Lumber Company and financing of building his new mill and the almost complete lack of material concerning the Arcadia Orchard Company. Both organizations employed many men and must have had a large payroll as well as other business records of expenses and incomes. To date very few documents have been found about the finances of these companies in the First State Bank’s files.

Several other early bank organization efforts in Deer Park were made in the period from 1909 to 1912. In 1911 the Deer Park Union reported that Illinois banker J. McGraw felt that the resources of the district would support a new bank and that his organization had purchased ground (see note #7). He planned to build a new bank next to the new Olsen Block on North Main Avenue. Nothing seemed to come of this plan.

Of more interest was the attempt of Alan Haynes and Floyd Daggett of the Arcadia Company to promote a new bank in Deer Park. Letters between W. D. Vincent, cashier for the Old National Bank in Spokane, and W. P. Irish, the Cashier of the First State Bank of Deer Park — both found in the Historical Society’s cache of bank documents — describe what happened to the Haynes-Daggett plan. On January 15, 1909 Mr. Vincent wrote a letter to Irish asking who was “to be connected with” the new bank. Irish responded (see images #4 and #5) by naming Haynes and Daggett as the chief promoters. He added that others

Footnotes:
(6) Deer Park Union, July 28th, 1911, p. 2.
(7) “Deer Park to Have a New Bank.” Deer Park Union, July 14th, 1911.
involved were W. H. Short, of the Standard Lumber Company, and A. J. Peters, a Deer Park merchant. Irish wrote that Haynes “is to be the whole thing.”

In July of 1929, the summer before the Great Stock Market Crash, the Deer Park Union carried an advertisement for the First State Bank of Deer Park warning of the coming wild fire season and the need for insurance (see image #6 on page 1623).

Apparently, the First State Bank continued operation during the early years of the Great Depression. When Washington State’s Governor Martin declared an optional state-wide bank holiday in early March 1933, Deer Park’s First State Bank’s officials did not see a reason for the protection measure and continued business as usual. By early 1934 the situation had worsened, and the First State Bank had been taken over by the Washington State Banking Department (see note #8). At the time the Banking Department asked that stockholders and depositors reorganize the bank along the lines laid down in the prior

Footnote:
nine months later the Deer Park City Council was considering the State Bank Liquidator’s offer to sell the bank building to the city for $2,500 (see note #10). Although the map (Image #1, page 1617) does not show lots, the lot containing the bank building may have extended to Vernon Avenue and contained at least part of a new city hall lot.

Footnotes:


Further Reading

—Acquisition of the papers from the First State Bank of Deer Park —
Letters/Brickbats Column

Letters, Email, Bouquets & Brickbats or
Bits of Chatter, Trivia, & Notices — all strung together.

… regarding Gene Mendenhall …

Society member and frequent Mortarboard contributor Ken Westby sent the following in response to last month’s article outlining the local community’s early fascination with broadcast radio.

“As a youngster I was fascinated with a Zenith console radio that stood proudly in my grandparents’ living room. It was probably built in the late 1930’s. The radio dial was marked by the manufacturer not only with the AM broadcast frequencies, but also the call letters of certain broadcast stations, several of which were granted ‘clear channels’ for wide-area coverage. In the 1950’s, however, I could see that several of those call sign markings were obsolete or incorrect — a testimony to the fact that the broadcast industry was and is always evolving.

“Gene Mendenhall, whose name appears in your story, aroused some curiosity in my mind because the Mendenhall family was prominent in Deer Park in the early 1920’s.”

got to digging around and found that Gene was born in late 1907, and would have been about 14 years old when dabbling with early radio as reported by the Deer Park Union in 1922. (His father, E. R. Peterson, owned the land on which it exists."

The “Little Spokane refrigeration company, for the purpose of keeping fruits, vegetables, butter and eggs and other perishable stuff in cold storage, is being organized in the expectation of developing a great industry. The earth is constantly frozen, fill reservoirs with water, which will freeze and add to the frigidity of the temperature to an extent that will produce natural refrigeration for hundreds of car loads of fruit.

“Drafts of cold air that fairly swept them off their feet as they removed boulders from the land in question, and the formation of ice where water seeped through between rocks on the shady side of boulders, resulted in the investigation by Peterson and Rake that materialized in the unique discovery. For three weeks they have been quietly investigating the ground in that vicinity, finding that it is frozen to the depth of several feet and that all surface water is promptly congealed thereon."

On August 31st, 1906, under the header “An Ice Mine,” the following appeared on page four of the Leavenworth Echo.

“The following account of the discovery of a body of ice eight miles from Spokane appeared in the daily press last Monday.”

The “daily press” (lower case in the original text) is assumed to reference the Spokane Daily Press — at the time an active radio station in Spokane. However, a quick search of nearby Monday editions of that paper failed to draw up the original article, as did a search of the Monday, August 27th editions of the Spokesman-Review and Spokane Chronicle — just in case the reference was to Spokane’s “daily press” in general.

The Leavenworth Echo article continued, “Ice forms constantly at the surface of the ground along the Little Spokane River, eight miles from Spokane, throughout the summer. The existence of this natural refrigerator has just been discovered by E. R. Peterson and W. I. Rake, who own the land on which it exists."

"In 1930, Gene’s older brothers, Mark Jr. and Wesley, were living in Deer Park and working as electricians for the power company, according to the 1930 US Census. Wesley, his wife Anna, and daughter Janet were at that time living in the house at E. 503 A-Street that my parents eventually purchased in 1941, and where I was raised. Not surprisingly, the young and industrious Gene Mendenhall went on to become an electrical engineer, and was employed by the Puget Sound Power & Light Company in the Seattle area. He was a licensed amateur radio operator with Call Sign ‘W7CZ’. He died Aug 6, 1987 in King County at the age of 79.”

…”Little Spokane Ice story a bit fishy …

Comments Policy

We encourage anyone with observations, concerns, corrections, or divergent opinions regarding the contents of these newsletters to write the society or contact one or more of the individuals listed in the “Society Contacts” box found in each issue. Resultant conversations can remain confidential if so desired.
“a scientific research” was ever done at the site. And I’ve failed to find any further information about E. R. Peterson, W. I. Rake, or the proposed Little Spokane Refrigeration Company — other than the mention of a farmer named Peterson, whose estate adjoins Waikiki in the 1907 article. So I’m going to engage in some speculation.

Your editor doesn’t want to totally rule out the extremely unlikely possibility that a glacial sized patch of permafrost could have somehow survived from the end of the last ice age at this latitude and elevation. (After all, I’m a hardcore X-Files fan.) That said, I found one observation from the August, 1906 article pushed even my gullibility to the breaking point — specifically, “that all surface water is promptly congealed thereon.” I believe this was suggesting that unfrozen water poured on the surface of the underlying ice would “promptly congeal” meaning promptly freeze — in mid-August.

My suspicion is that all this excitement was an attempt to sell stock in a dubious venture — said venture being the Little Spokane Refrigeration Company — by using advertisements masquerading as news stories. That was a ruse copied from the multitude of oil-stock scams common within the region during that era. But that’s just my suspicion.

... what language are we speaking ...

The above article’s reference to “Waikiki, the county home of Jay P. Graves on the Little Spokane River,” begs the question, how did what we assume to be an Hawaiian word end up embedded in the Little Spokane River’s history?

Upon making this discovery, the use of ice for domestic purposes was abruptly discontinued. The sand and gravel which has been removed to enable the farmers to draw from the store was carefully put back, pending an investigation, which it is said will be made as soon as crops are harvested and the farmers have time to make a scientific research.

I’ve yet to locate any data suggesting it had no report. Happy Birthday, Pete! Print editor Wally Parker reported: 1) One hundred and ten copies of the January Mortarboard (#117) have been printed for distribution, and the online version has been submitted for posting. This 16-page issue includes an article by Peter Coffin titled “Wildrose Orchard Company” appearing in the November and December Mortarboards. 3) The two-part article appearing in the November and December Mortarboards — “In Search of the Legendary Gwin — has been reviewed in the Deer Park Tribune, with said review being reprinted in the Colville Examiner. It will be interesting to see if this month’s review might send any more interest to the original 10,225-word article, which differs in certain of its factual elements from the Tribune’s review — at least in the author’s opinion.

4) Regarding possible areas of future research along the lines of natural history, there are two subjects that might evoke public interest. One would be the Little Spokane River’s pre-European and early settlement history as a salmon stream. This is something that clearly predates the memory of anyone
A print copy of this issue of the Mortarboard is or soon will be available in booklet format.

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