On a spring evening in 1886, Harrison Gray Otis, a forty-nine year old Civil War veteran who was one of the co-owners of the *Los Angeles Daily Times*, made a courtesy call on Isaias Hellman, the president of Los Angeles' largest bank. Hellman was at home in his thirteen-room Italianate mansion that evening, not at his office at the Farmers and Merchants Bank, so Otis made his way to the corner of Fourth and Main Streets. The neighborhood, just three-quarters of mile southeast of the Plaza, had been one of Los Angeles' best since 1865, when former Governor John Downey and his wife Maria built the first brick mansion in the area. Hellman had constructed his own ornate home nearby in 1877, and the two-story house with large windows, a mansard roof, a wraparound porch, and walls frescoed with painted scenes of Germany, the Mississippi delta and the Arroyo Seco, was considered one of the nicest in the city (*Los Angeles Star*, Sept. 13, 1877).

The two men settled into Hellman's parlor. At forty-three, Hellman was a serious-looking man with a receding hairline, dark Van Dyke beard and large brown eyes that peered from behind gold rimmed glasses. As one of Los Angeles' richest men, he deferred to no one, and while this gave him a solemn air, it did not mean he was not curious to hear why his guest had called. Otis, on the other hand, with his white hair, bushy beard and Colonel's title, still had not fulfilled his dreams of journalistic glory and business success. He knew that this conversation with Hellman might set his future's course.

The two had little in common. Hellman, a cautious businessman, was a Jewish immigrant from Germany who had lived in Los Angeles for twenty-
seven years. Otis had been born in Marion, Ohio to an abolitionist father and had lived an itinerant life, fighting for the Union Army under William McKinley, training as a printer in Kentucky and Washington, DC and only coming to Los Angeles in 1882 to take over as editor of the Los Angeles Daily Times. The paper was just eight months old at that point, but Otis had quickly seen its possibilities and within a brief period had gained control of half of the paper’s assets.

Now Otis had a problem. He and his partner, Henry Harrison Boyce, were not getting along. Their disagreements about how to run the paper threatened to undo the business they had created. Boyce wanted to buy out Otis or sell his shares in the paper, and had set a tight deadline for a decision. But price was an issue. Boyce wanted the princely sum of $18,000. It was money that Otis did not have.

It had not been easy to turn a profit in the news business. Los Angeles was crowded with newspapers, each competing for a small segment of the town’s approximately 20,000 residents. In addition to the Times, there was the Daily Herald, the Evening Express, and a smattering of smaller papers.

Yet there were signs that business was improving and Otis was determined to retain his association with the Times. During the last few years Los Angeles had been growing at a rapid rate. The Santa Fe Railroad had completed its transcontinental line the year before, giving the Southern Pacific Railroad its first competition since arriving in Los Angeles ten years earlier. The ensuing rate war was luring thousands of visitors a month, and many of them decided to stay permanently after they enjoyed the region’s mild weather. The city’s population had jumped from 11,000 to 20,000 in just the past six years. Land sales had picked up considerably in the first few months of 1886 as realty and land companies set up for business. And the best place to advertise those plots of land? The newspapers, of course.

Hellman listened to Otis’s story and realized that he and the newspaper man shared at least one thing in common: a belief in the future of Los Angeles. By the end of the evening Hellman had offered to loan Otis the full $18,000. It was a gesture of faith, and one that Otis would remember the rest of his life.

“I have never forgotten the pregnant interview which I had with you, in your own parlor, about March 1886, when the problem to be resolved was how to get full control of the paper and rescue it from impending ruin by a pretender and a scoundrel,” Otis wrote Hellman years later. “Then it was that you said that wise thing, that it would be of no avail, in the long run, for you to help me unless that help was made sufficient to enable me to get control and tread
the deck of the ship as its sure enough commander. That aid you rendered and then and there was the problem solved, the battle won. For all of which, believe me, I am your friend” (Otis, Letter to Hellman).

Hellman’s loan let Otis acquire full ownership of the paper. Otis went on to become wealthy and to gain unprecedented influence in southern California. Over time, the *Los Angeles Times* became the most significant paper in the region. And when Otis needed additional capital to construct his new Times building, he turned to Hellman’s Farmers and Merchants Bank for the funds.

The loan to Otis was only one of thousands Hellman made during his career as a banker, but it deftly illustrates how his financial acumen played a critical role in the growth of Los Angeles. Hellman had an uncanny ability to figure out which businesses might succeed and which businessmen to back. These instincts led him to take chances on companies that other banks would not touch—and were instrumental to the development of the state’s economy. His judgment and access to capital transformed Hellman into the most influential financier on the Pacific Coast during the latter part of the nineteenth century and the early part of the twentieth century.

The period after the Civil War witnessed one of the largest economic expansions in US history. The chaotic markets and industrial boom of the era created a new class of capitalist, men who accumulated gargantuan fortunes in a relatively short time span. Men like Jacob Schiff and J. P. Morgan forged financial dynasties and networks that were in some ways more powerful than the central government. As the age of the independent financier evolved into the age of the corporation, those nineteenth-century titans helped lead the United States from being an agrarian-based economy to become an industrial dynamo.

Bankers in California were too far from the financial centers of New York, London, and Paris to equal the significance of their East Coast counterparts, but they were instrumental in helping transform California from an isolated outpost where capital was measured in animal hides and gold nuggets into an economic powerhouse driven by mining and agriculture interests.

In a time of unsophisticated financial markets, when banks minted their own money, bankers like Hellman were the men who smoothed over the rough edges of the economy. They offered credit, invested in companies, and issued instruments of debt. During financial panics—which happened roughly every ten years in the nineteenth century—Hellman and his fellow bankers provided an essential stability.

No banker was more critical to the growth of California than Isaias
Hellman. By the time of his death in 1920, he was president of Wells Fargo Bank and served as president or director of seventeen other banks. He was a major investor and promoter of at least eight industries that shaped California—banking, transportation, education, land development, water, electricity, oil, and wine—lending money to jump start many of those industries.

“No one man in California has left an impress upon the financial affairs of the state in so many different communities and in such an unquestioned manner as I. W. Hellman,” Ira Cross wrote in his four-volume Financing an Empire: History of Banking in California (539).

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Hellman first spotted the shores of Southern California from the deck of a steamer coming from San Francisco. It was May 14, 1859 and the port of San Pedro was nothing more than a collection of barracks scattered among the marshes on the shoreline. The water was so shallow that ocean-going ships could not dock, so Hellman, aged sixteen, and his traveling companion, his brother, Herman, fifteen, boarded a lighter to carry them to shore.

Los Angeles had only been part of the United States for nine years at that point, and it was a town in transition, a place slowly evolving from Mexican to American rule. While the Gold Rush had brought thousands of people to Northern California, transforming San Francisco almost overnight into a bustling city, Southern California was still a frontier community on the edge of the continent, difficult to get to and almost completely isolated.

Only 4,400 people lived in the town, with another 11,000 in the surrounding counties. There was no regularly scheduled stage coach from San Francisco or Salt Lake City, and steamers stopped at the port only a few times a month. There was no telegraph connection to San Francisco; news often took two weeks or more to reach the area. Both of the town’s newspapers, the Los Angeles Star and El Clamor Publico, published articles in Spanish, although the Star also had an English edition. Most residents were illiterate. Spanish was the most widely spoken language, followed by French and then English. A self-selected volunteer group called the Rangers acted as a police force, and they answered to their own authority.

Hellman and his brother had left Reckendorf, a small town in Bavaria, to escape Germany’s stringent restrictions on where Jews could live and what professions they could join. The Hellman brothers were part of a massive
migration from central Europe that would triple the US Jewish population from 50,000 in 1850 to 150,000 by 1860. While most of those Jews would settle on the East Coast, a small number were lured to California by the promise of gold. By 1860, there were about 10,000 Jews living in California, with 5,000 settled in San Francisco and the rest scattered around the state (Benjamin 233). Quite a number of Hellmans had found their way to Los Angeles, including Isaias Hellman’s maternal uncle and four first cousins. No records remain that indicate why members of the family settled in southern California, but they may have had some acquaintance with Phillip Sichel, one of the eight Jewish men recorded in the 1850 census. Hellman went to work as a clerk at Hellman & Brothers, a dry goods store on Mellus’ Row owned by his cousins Isaiah M. and Samuel M. Hellman. In his early days, before he had mastered English, Hellman drove a wagon of goods around to the ranchos in the surrounding countryside (Mesmer 199). Within a short time, however, he was working behind the counter and offering advice to his cousins, an early indicator of his growing business savvy. “I. W. Hellman immediately showed much ability and greatly improved his cousin’s business,” Harris Newmark wrote in his memoirs (Newmark 248).

Hellman joined a small but cohesive Jewish community, but he also traveled easily among Yankees and the Californios, as those born in California when it was part of Mexico were known. From the start of the American era, Los Angeles was accommodating to its Jewish residents. While cities on the East Coast had a clearly delineated social hierarchy, California was still a state in transition, more interested in setting up city councils and police departments than excluding entire classes of citizens. Jews were part of the Los Angeles city fabric from its inception. Morris L. Goodman was elected to the first City Council in 1850, and Arnold Jacobi was elected in 1853 (Vorspan and Gartner 17). Another Jew, Maurice Kremer, was elected County Treasurer in 1859 (Vorspan and Gartner 18). Hellman’s cousin, Isaiah M. Hellman, won the post of city treasurer in 1876 (Los Angeles Daily Republican Dec. 4, 1876: 2). Hellman and other Jews joined Masonic orders that were comprised of both Jews and Gentiles (Vorspan and Gartner 22). Hellman learned Spanish from the rector Francisco Mora (Engh 158), who would go on to serve as the Catholic Bishop of the Monterey-Los Angeles region (Dinkelspiel 30).

When Hellman arrived in 1859, he practiced a traditional form of Judaism, but that changed as he became more Americanized. He was an early member of Congregation B’nai B’rith and served as president when the group erected the city’s first synagogue in 1872 (“Hebrew Synagogue”).
wife, Esther Hellman, was a member of the Ladies Hebrew Benevolent Society (Dinkelspiel 59) and his son Marco was bar mitzvah in 1884 (“The Bar Mitzvah of a Banker’s Son”).

After working for his cousin for five years, Hellman set out on his own. In 1865, he bought a store on the southeast corner of Main and Commercial streets from Adolph Portugal, a Jewish merchant who was heading back to Europe (“Dry Goods”). Hellman sold clothes, hats and ribbons, and took frequent trips to San Francisco to find reasonably priced goods (“Dry Goods & Clothing Emporium”). In a concession to his new land, Hellman kept his store open on Saturdays, the Jewish Sabbath (Dinkelspiel 61).

As a service to customers, Hellman installed a $160 Tilden and McFarland safe in the back of his shop and offered to store gold and valuables (Ledger 1865). Banks were illegal in California at that time, so people often kept their money in the safes of trusted merchants (Dinkelspiel 42).

Hellman made informal bank transactions until he had a run-in with a bleary-eyed Irishman who had wandered in and out of his store over a week's time, always gloriously drunk and eager to take money out of his gold pouch. When the Irishman sobered up, he returned to Hellman's store and was furious to find that there was no money left. At first he accused Hellman of stealing the funds, but was convinced by a friend that no thievery had occurred. “What is to prevent one of those fellows from cracking me over the head, sticking a knife in my ribs, or shooting me?” Hellman recalled later in an interview (Cross 546). Nothing, he realized.

After nearly getting punched, Hellman changed the way he did business. Instead of storing a customer’s gold, Hellman decided he would only buy it outright, deposit it in his safe, and give the customer a passbook to keep tracks of deposits and withdrawals. He asked a typesetter to print slips that said “I. W. Hellman, Banker.” It was the start of banking in Los Angeles.

In 1868, Hellman joined forces with two Los Angeles pioneers to open a formal bank (“New Banking Enterprise”). They were William Workman and F. P. F. Temple, both part of the group of American settlers who had came to California when it belonged to Mexico and had married women with ties to the elite Californio class. It was an astute choice, for Workman and Temple were highly regarded in Los Angeles and provided an imprimatur of respectability on the bank and its twenty-six year old cashier. For the rest of his life, Hellman would forge partnerships with men more powerful than himself, both Jewish and Gentile.

Hellman, Temple and Co. opened just a few months after former
Isaias Hellman and the Creation of California

California Governor John Downey had started a bank in partnership with James Hayward, son of a successful miner. By 1871, Hellman and Downey had dissolved their previous partnerships and had gone into business together (Dinkelspiel 70). They recruited twenty-three other prominent businessmen to sit on a board and opened the Farmers and Merchants Bank in April 1871 in a building on Main Street right next to the Bella Union Hotel. The group of men who founded and capitalized the bank were some of the wealthiest and most prominent in the city (Cleland and Putnam 19–24), and included Hellman’s brother, Herman, who owned a large dry goods store, his cousin, Isaiah M. Hellman, a merchant, Ozro Childs, a wealthy horticulturist, James F. Burns, county sheriff, Matthew Keller, a vintner and landowner, Cameron Thom, the district attorney and future mayor, William Perry, a lumberman and president of the gas company, Jose Mascarel, a merchant, Domingo Amestoy, a livestock owner, and more. They were Jewish and Gentile. Only one group was noticeably missing: representatives from the old Californio elite. The absence reflected the sad reality that the group that once dominated California no longer commanded much power.

The creation of the Farmers and Merchants Bank, with a capitalization of $500,000 (Cleland and Putnam 25), proved critical to the development of Los Angeles. For the previous two decades money had only been available to borrow at very high interest rates, sometimes reaching as high as fifteen percent a month (Cleland and Putnam 17). Many Californios had lost their land because of these confiscatory interest rates. (Downey, in fact, was a beneficiary of the region’s tight money supply. In one poignant example, in 1852 Downey lent $5,000 to Lemuel Carpenter who put up his 17,000 acre Rancho San Gertrudes as collateral. By 1859, compounded interest had increased the debt to $100,000 and a despairing Carpenter committed suicide. Downey then purchased the ranch at a sheriff’s sale [Dinkelspiel 67]) The Farmers and Merchants Bank was able to make loans at one to one-and-a-half to two percent a month, the same rate offered by banks in San Francisco.

As new settlers streamed into the region, many of them veterans of the Civil War, they could turn to the Farmers and Merchants Bank for funds to buy farms and plant crops. The 1870s were a time of experimentation in Los Angeles, when men and merchants were still trying to figure out the crops and businesses that would flourish in the region. Just a few years earlier, California and its temperate climate seemed an ideal place to raise silkworms (“Mulberry Trees and Cuttings”). Aspiring farmers planted thousands of mulberry trees and imported silkworms from China, in part to capture subsidies offered by
the state Legislature. The fad faded as quickly as it started (“Silk Culture in California”; “Silk Culture”). Farmers then turned their attention to growing wheat, barley, walnuts, and Mission grapes, which were used to make wine. A number of growers tried raising oranges, and the number of fruit and nut trees planted in the region tripled in just a few years. One inventive farmer even managed to raise pineapples (History of Los Angeles County 60–66).

Two brothers, Otto J. and Oswald F. Zahn, capitalized on the growing travel between Los Angeles and Catalina Island, located twenty-two miles offshore. The construction of a railroad in 1869 from Los Angeles to San Pedro made getting to Catalina Island much easier and hearty adventurers would camp out and swim in the blue waters. But once on the island, they were cut off. The Zahns filled a void with the Catalina Pigeon Messengers, a flock of homing pigeons that carried news between the island and the towns on the mainland. It was cause for celebration when the Zahns’ prized pigeon, Blue Jim, flew the channel in only fifty minutes (Newmark 430).

As the region prospered, Hellman made his own business investments, and he soon saw his fortune grow. He invested heavily in city utilities and was soon a major stockholder in the privately-run gas and water companies. He invested in one of the city’s first trolley lines and by the mid-1880s was Los Angeles’ dominant trolley magnate. He also helped form some other banks, most notably the Security Savings Bank and Trust Company and the Los Angeles Savings Bank (“Loan and Trust” 2; Dinkelspiel 117).

Land formed the basis for much of Hellman’s fortune. He bought his first parcel in 1863 and kept buying steadily until he became one of the region’s largest landholders and the city’s largest taxpayer. (The Los Angeles Express reported on Dec. 29, 1886 that Isaias paid the most taxes of any man in Los Angeles—more than $14,000.) He built business blocks around the city, including one on the site of his original dry goods store. Hellman bought large chunks of Rancho San Pedro in the 1860s (Isaias W. Hellman vs. Henry N. Alexander, case no. 1895). In 1871, the Farmers and Merchants Bank foreclosed on the 13,000 acre Rancho Cucamonga in what is now San Bernardino County. The bank sold a third of the property to a San Francisco syndicate, and Hellman, John Downey, and his cousin Isaiah M. Hellman bought the bulk of the rancho. They spun off another third to develop, and planted wheat, wine, barley and raisins on the rest. Over the next decade, Hellman would acquire a third-interest in the vast Rancho Alamitos near Long Beach, and a portion of the Repetto Ranch south of Alhambra, among other lands. He also owned much of the area known as Boyle Heights (Dinkelspiel 50).
Hellman most actively invested in land with Downey and the pioneer horticulturist Ozro Childs. In 1876, the trio had bought thousands of acres in the southwest section of Los Angeles, in an area covered with grassy fields and little else. Intending to subdivide the land, they took out an ad that ran an entire column length in the Sept. 17, 1877 edition of *Los Angeles Herald*, dwarfing other real estate notices:

> Lots for sale! Offers the best opportunity for delightful homesteads of any that has ever been offered for sale to the public. The whole tract is level. The soil is excellent. This is really the West end of our beautiful city, with the benefit of FRESH, PURE BREEZES FROM THE OCEAN, uncontaminated by gas or sewer effluvia.

Despite the hyperbole, the land was not easy to sell, as it was about three miles from the Plaza, then the center of Los Angeles. There was a trolley line (started by the partners) running through the property, and Agricultural Park, the racetrack, was nearby, but the $300 parcels were not selling briskly. Part of the problem was oversupply; by the late 1870s there was a miniature boom in the region. Almost every businessman in Los Angeles, it seemed, was in the real estate business.

When Robert Widney announced in May 1879 that the Methodists were looking for land on which to put a new university, Hellman and his partners jumped. They knew that having a school nearby would make West Los Angeles an attractive place to settle, and that it would spawn new houses and farms. Other large landowners felt similarly and soon Widney had multiple offers of land (Lifton and Moore 5).

To make their offer more attractive, Isaias, Downey, and Childs proposed to extend their trolley line, the Main Street and Agricultural Park Railway, directly onto the new campus. That enticement may have made the difference because in July 1879 Widney accepted their offer of 308 lots of land, about 110 acres (Map of West Los Angeles). The bulk would be sold off to form an endowment for the new university, named the “University of Southern California,” and the rest would be used for the school. The donation instantly catapulted Hellman, Downey and Childs into the group of men regarded as founders of the university, a position recognized to this day (*Los Angeles Herald* Sept. 5, 1880). Hellman’s contribution to USC captured the attention of California Governor George Perkins, who appointed Hellman to the Board of Regents of the University of California in 1881. Hellman would sit as a Regent for
Frances Dinkelspiel

As president of the Farmers and Merchants Bank, Hellman was in a perfect position to learn about business deals. While the bank mostly carried mortgages, in the 1880s it directed an increasing amount of money into promising industries. Before lending funds, Isaias tried to determine whether a business would help the region’s economy grow. If it could, he was more inclined to fund it, for he thought the positive effects of the loan would have a ripple effect. If he thought the proposal didn’t have a chance, he would turn it down. For example, when Henry Wilshire asked the Farmers and Merchants Bank in November 1895 for a loan to buy thirty-five acres for his eponymous boulevard, the bank refused him (Wilshire, Letter to Farmers and Merchants Bank).

Hellman also put money into a few risky ventures—but only when he decided that the men behind the enterprise were trustworthy. In the mid-1880s, Los Angeles, like much of America, was oil crazy. America had been obsessed by oil since 1859, when Colonel Edwin Drake discovered rock oil while drilling a well in Titusville, Pennsylvania. The automobile had not been invented yet, but an increasingly industrialized America still needed oil for lamps and heating, and its byproduct, gas, for illumination.

Residents of the Los Angeles region had been using oil products from the time of the earliest settlers. The region was dotted with “brea,” a sticky tar-like substance that Native Americans had used to waterproof baskets and Californios had used to tar their roofs. In 1855, Andres Pico started to excavate the asphalt that lay in pools of oil on his large Rancho San Fernando. His discovery promoted other businessmen to start exploring, and within a few years there was a mini-oil boom. Hellman’s partner, Downey, Phineas Banning, and B. D. Wilson founded the Pioneer Oil Co., one of the earliest companies formed to explore for oil. Despite spending hundreds of thousands of dollars to drill wells, the Pioneer Oil Company never found a rich strike and went out of business.

By 1887, there were only four companies exploring for oil in southern California (“Oil and Gas Yielding Formations of California”). One was the Hardison & Stewart Oil Company, founded in 1883 by Lyman Stewart and Wallace Hardison, who had worked together successfully in Pennsylvania. They had moved their operations to Los Angeles and spent four years traipsing around the region, digging hole after hole in a fruitless search for oil. They borrowed all they could and soon found themselves broke and $183,000 in debt, with no oil in sight.
The men went to see Hellman. “We didn’t know what to do or where to turn,” said Stewart. “We owed IWH all that we dared to owe him. But we saw him and told him that the Hardison & Stewart Co. needed $20,000. Mr. Hellman was in ill health and was preparing for a six-month trip abroad. He was calling in all loans. I told him how we were situated and how badly we needed the money. He replied, ‘There are millionaires in this town that I won’t lend another dollar to because they are doing nothing to benefit the community, but you are doing something to develop the resources of the county. Let me see your statement.’ That made us tremble. We were then at the high water mark of our liabilities and our statement showed we owed one hundred and eighty-three thousand dollars. Mr. Hellman looked at the statement and said, ‘Draw your checks for ten thousand more, and I will order them paid.’ He did not ask for any collateral” (*Pacific Petroleum Record*).

The men discovered oil. Their company was eventually known as Unocal.

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Hellman’s history repeated itself in 1893 with Edward Doheney and Charles Canfield. The two men were veteran miners and explorers when they first met in New Mexico. Canfield moved to Los Angeles in the mid-1880s and made and lost a fortune, buying and selling real estate during the boom. Doheny had followed his friend to Los Angeles in hopes of getting rich but soon found himself living in a rundown boarding house on Sixth and Figueroa Streets with his wife and sickly seven-year old daughter, out of funds and out of ideas. Then one day he noticed a wagon rolling past his hotel, its back heaped with black pitch. Doheny asked the driver what it was and where it came from and soon was rushing towards Westlake Park. He found a hole oozing with a tarry substance. He picked it up. He smelled it and noticed it had a sweet odor. He asked a nearby worker what the brea could be used for, and learned that it could be burned for fuel (Davis).

Doheny had been a miner and prospector for twenty years at that point, and he realized there might be a business in collecting and selling the brea. Los Angeles was fueled by coal, which was expensive at twenty dollars a ton. Doheny thought there might be a market for a lower-priced heating and light source.

But where would Doheny get the money to acquire land? Canfield was broke, his last fortune having evaporated in a downturn in the real estate
market. Nonetheless, Doheny managed to convince him to set up a partnership. Canfield went to see Hellman and asked to borrow $500. He had no money, no prospects, just the idea that there must be reserves of oil lurking below the city. No bank would lend to him, but Hellman saw something he liked in Canfield, a determination that would not quit. Isaias lent Canfield the money. A short time later, using a drill attached to a makeshift, twenty-foot tall derrick constructed out of four by fours, Doheny and Canfield penetrated a hard outcropping of rock two hundred feet into the ground. When the metal bit broke through the strata, it uncovered a pool of dark, viscous oil, the biggest strike ever uncovered in Los Angeles.

With Hellman’s help, the men created one of one of the state’s largest and most lucrative oil companies (Hellman, Letter to Whitney).

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By late 1889, Hellman was starting to feel restless in Los Angeles. The boom that swept the region from 1886 to 1888 had brought huge profits to the region, funds that made their way into the Farmers and Merchants bank and the other financial institutions with which Isaias was associated. After living in southern California for thirty years, Hellman itched to expand, to become a bigger player in the world of finance.

In 1890, Hellman left Los Angeles to take over the presidency of the Nevada Bank in San Francisco, a city that had 300,000 residents compared to Los Angeles’ 50,000. The Nevada Bank had been founded in 1875 by the four “Silver Kings,” John Mackay, James Flood, James Fair and William O’Brien and had at one time been capitalized at ten million dollars, the most of any financial institution in the country. But the bank had fallen on hard times after its cashier had tried unsuccessfully to corner the wheat market in 1887.

In 1890, Hellman raised $2.5 million in capital to take control of the bank. So many men clamored to buy the stock that he had to turn some away, an indication of Hellman’s growing reputation. “Millionaires stood in rows for hours waiting their chance to subscribe to the stock and men feeble from age were represented among them,” the Los Angeles Herald reported in 1890. “One of the best known businessmen, not only of San Francisco, but of the state, told the writer that he was recently present at a discussion concerning Mr. Hellman’s financial status in which he was held up as the wealthiest Hebrew in America with the total being placed at $40,000,000. One thing is certain,
however, and that is that his brief connection with the Nevada Bank has been signalized by the most remarkable occurrence ever noted in the financial annals of California” (Undated newspaper article).

The new shareholders of the Nevada Bank were some of the most influential men in the country, including Meyer Lehman, Hellman’s brother-in-law and the head of Lehman Brothers in New York; Levi Strauss, the head of the clothing concern; and Antoine Borel, a Swiss banker and bond dealer. Hellman did not neglect his friends from Los Angeles. He sold stock to William Germain, the Los Angeles fruit grower, William Perry, the lumberman who now ran the Los Angeles City Water Company, and Abraham Haas, a partner with Herman Hellman in Hellman, Haas, and Co. Abraham Haas’s brother William, who ran Haas Brothers in San Francisco, also got shares. (The Hellmans and the Haases came from the same town in Germany and had grown up together.) Isaac Van Nuys and John Wolfskill also purchased stakes in the bank.

While many of the investors were Jewish, Hellman was careful to create a diverse board of directors. “I have selected an excellent board of directors all strong men, privately speaking seven Christians and including myself four Jews,” Hellman wrote to his brother-in-law in England. “I have done this to avoid the idea which exists with other banks here of making a Jewish bank or Catholic or any other institution. I want it to be a popular institution—I think it is so considered, if not I will endeavor my best to make it so” (Hellman, Letter to Newgass).

The news that Hellman was leaving Los Angeles to take over a San Francisco bank filled the pages of the papers around the state. Editors in Los Angeles wrote pieces questioning how Isaias’ move would impact the city. They soon suggested it would expand the flow of capital between the two cities. “No deleterious effect can come to Los Angeles from the proposed change,” said an editorial in the February 24, 1890 edition of the Los Angeles Herald. “Mr. Hellman, whose interests here are immense, will be at the head of a bank that will be from the moment he enters it the controlling influence on the finances of the Coast. It will be his pleasure and his interest both to aid in every legitimate enterprise thought of in Los Angeles. He will have control of unlimited funds, and if any industry can show him it is one of merit, it may safely count on his encouragement.”

Moving to San Francisco let Hellman expand into new financial markets. Hellman became friends with Collis Huntington, one of the founders of the Southern Pacific Railroad. Huntington apparently enjoyed discussing business matters with Isaias. He told John Mackay that Isaias was “one of the ablest
bankers” he knew. When Huntington came to San Francisco, he made a point of talking to Isaias. “I have been coming to see you almost every day since I came out, but everyday seems to bring business that holds me very closely to the corner of Fourth and Townsend Streets; not that I have any special business, only I wanted to come in and talk matters over generally with you,” Huntington wrote Isaias (Huntington, Letter to Hellman).

Hellman and Huntington had first met in 1876 when Isaias was part of a group of businessmen lobbying to bring the Southern Pacific to Los Angeles. In the ensuing decades, the power of Southern Pacific had grown enormously, as it expanded its routes and control of freight rates throughout the state. Its political arm extended into numerous political campaigns and a growing chorus of critics had started to denounce the influence of the Southern Pacific.

The Southern Pacific was one of the Nevada Bank’s biggest customers, and Hellman soon began to make a market for the rail line’s bonds. During the early 1890s, he sold from ten to fifteen million dollars of the railroad’s bonds (Hellman, Letter to Speyer), as well as another ten million dollars in bonds for an SP subsidiary, the Market Street Railway (San Francisco Call).

The issue of expanding the port of Los Angeles tested Hellman’s ability to juggle his loyalties between northern and southern California and not offend any of his friends. The waters off the coast of San Pedro had never been deep enough to permit ocean-going vessels to dock near the shore, and Los Angeles’ business community looked to the federal government to build a massive breakwater. After two federal committees recommended that San Pedro be developed, Huntington threw a monkey-wrench into the process by proclaiming that Santa Monica would be the better port and should get the federal appropriation. By 1894, Southern Pacific had constructed a 4,300-foot wharf extending into the ocean at Santa Monica, and Huntington wanted to capitalize on his one million dollar investment.

The battle over the port would rage for years, pitting Huntington against a determined group of businessmen from Los Angeles, including the Chamber of Commerce and Harrison Gray Otis, who turned the pages of his Los Angeles Times into a forum for the Free Harbor Association. The businessmen favored San Pedro over Santa Monica because it was the city’s traditional port. They also feared that Southern Pacific was too firmly entrenched in Santa Monica and would use its position to jack up shipping rates. They did not want “Uncle Collis,” as the newspapers called him, to become even more dominant (“The Harbor Question”).

Isaias tried to tread a middle ground by endorsing the development of
both ports, thereby not antagonizing either Huntington or Otis. It was relatively easy to maintain neutrality since he now lived in San Francisco. “If possible, why not have appropriations for both harbors?” Isaias wrote to Otis (Hellman, Letter to Otis). After Congress finally concluded that San Pedro was superior to Santa Monica, the Farmers and Merchants Bank lent $50,000 to help build a breakwater (Cleland 66).

It was around 1894 that Hellman became acquainted with another Huntington, one who would ultimately play a large role in Isaias’ business life and have a profound impact on the development of Southern California. That man was Huntington's nephew, Henry Edwards, who had come to San Francisco in 1892 to represent his family's interests in the Southern Pacific. One of his early tasks was to secure rights of way for expansion, and he and Hellman met during negotiations over property near Pasadena. The two men later worked together to raise funds for the modernization of San Francisco’s trolley lines. Hellman’s Nevada Bank handled a ten million dollar bond issue to electrify some of the lines and modernize the tracks.

Even while in San Francisco, Hellman had maintained his interest in the Los Angeles trolley systems. He had actively developed trolley lines until the mid-1880s, and was a major investor in the City Railroad, the Los Angeles Cable Railway, and the Los Angeles and Pacific Railway Company. He also held a large number of bonds for the Temple Street Cable Railway.

While working together, Hellman and Huntington began to talk about the advantages of consolidating and modernizing the trolleys in Los Angeles, much as Huntington had done for the rail lines in San Francisco. There were more than a half-dozen companies operating the various lines in the region, creating a mish-mash of technologies and routes.

Los Angeles residents who had watched a myriad of men and companies try and tame the city’s transportation business learned of yet another attempt when they plunked down their three cents for the September 14, 1898 edition of the Los Angeles Times. When they opened the paper to local news on page four, their eyes were drawn to an extra large article outlined in black. “Gobbled by the S. P.” the headline read in breathless type. “Huntington & Co. Take in the Los Angeles Railway.”

The details were sketchy, as the article was only a few paragraphs long. But the gist suggested that the Southern Pacific Railroad had purchased the bulk of the rail lines in Los Angeles. The Huntington family, led by Collis and his nephew Henry, had been quietly negotiating throughout the summer for
the trolley company that ran cars throughout the downtown business district, the article read.

Throughout the day, reporters from the *Times* and other newspapers raced around town trying to collect more information. When word got out that Isaias might have something to do with the purchase, reporters rushed to the Farmers and Merchants Bank to interview his brother Herman Hellman. “That is a matter on which I cannot give definite information,” Herman told the papers. “Although I am interested with my brother, Isaias W. Hellman, in the banking business, he is the one who is interested in the Los Angeles Railway system” (“The Railway Deal”).

Details soon emerged and it turned out that the *Los Angeles Times* had gotten some important facts right—and some other critical facts wrong. Henry Huntington, his Uncle Collis, and his son Howard had made an offer for five of Los Angeles’ six rail lines. The buyers paid $3.9 million for the companies and planned to issue five million dollars in bonds to pay off the debt and make improvements. But the Huntingtons were not the only buyers. Hellman and a syndicate including San Francisco bankers Antoine Borel and Christian de Guigne had purchased a forty-five percent interest in the deal. This was a private transaction, not one masterminded by Southern Pacific.

Still, the fact that there were three Huntingtons involved was great fodder for the newspapers as Collis Huntington and his strong-arm tactics were widely feared. On Friday, September 16, the *Times* ran a large cartoon on its front page picturing a sweating, bearded Collis Huntington holding the entire earth in his arms, with a Los Angeles Street Railway trolley car gripped in one hand. The cartoon had a label “The Earth. This Property is Owned by the Southern Pacific Railway.” In the cartoon, Huntington is thinking to himself: “I wonder if there is anything else I have forgotten?”

The 1898 creation of the LARY, or the Los Angeles Railway, ushered in an era of close cooperation between Hellman and Henry Huntington, one that would lead to some of the most important developments the Los Angeles basin had ever seen.¹⁵ Hellman’s Nevada Bank and Union Trust Company would issue a series of bonds that would not only fund LARY, but the famed Pacific Electric, whose red trolley cars would one day extend hundreds of miles in the region. To get electricity for the electric cars, Hellman and his syndicate also bought $500,000 in debt from the San Gabriel Electric Power Company. A few years later Huntington and Hellman joined with William Kerckhoff to start Pacific Light and Power Company, which brought electricity from the Kern River to Los Angeles on more than one hundred miles of electric
wire ("Huntington's New Venture"). Hellman's Union Trust Company of San Francisco floated ten million dollars in bonds to pay for the construction ("Bonded Debt Made for Ten Millions"). That company was later folded into Southern California Edison.\textsuperscript{16}

Hellman did not just provide capital to the enterprise. In the early years of the partnership, before Huntington made Los Angeles his home, Hellman knew the area better than the railroad man. Three years after the Huntington-Hellman syndicate created LARY, Hellman pushed for a more expansive rail line, one that would link cities to one another, not just deliver passengers to various points within city limits.

"I have spent a month in Los Angeles and found that city very much improved," Isaias wrote Huntington in May 1901. "I think the time is on hand when we should commence building suburban roads out of the city. If we do not do so soon, others will. There is a great deal of idle capital and men with energy and brains waiting for good business openings in Los Angeles" (Hellman, Letter to Huntington). Isaias had even gone as far as asking W. H. Holabird, a LARY employee, to look at a map and sketch out possible rail routes to Long Beach, San Pedro, Redondo and elsewhere (Holabird, Letter to Huntington).

"As for building suburban roads out of Los Angeles, I agree with you that the time has come when we should begin doing it," Huntington responded a week later (Huntington, Letter to Hellman).

In November, 1901, the men started the Pacific Electric.

Huntington gets much of the credit for creating his extensive transportation network, which many people believe contributed to Los Angeles' urban sprawl. Hellman, however, was key in making Huntington see the possibilities of the southern part of the state and finding the capital to facilitate growth. Hellman provided the vision and money during a critical period, just has he had with Otis, Stewart and Hardison, Doheny and Canfield, and with many others.

Hellman went on to take the lead in many more endeavors, including construction of significant buildings in Los Angeles' downtown;\textsuperscript{17} a leadership role in the sale of bonds for the Russo-Japanese War (Dinkelspiel 307) and Liberty Bonds in World War I (Wells Fargo Nevada National Bank Minute Book); the development of property throughout the region, and more. At the height of his power in the early part of the twentieth century, after he had merged the Nevada Bank with Wells Fargo Bank,\textsuperscript{18} he commanded more than one hundred million dollars in capital, funds that were put to use to improve California's infrastructure (Dinkelspiel 289).
When Hellman died on April 9, 1920 after a brief bout of pneumonia, he was seventy-seven. The news of his death was bannered across the tops of newspapers. Flags were lowered to half-staff at various banks.

“In the regrettable death of Mr. Hellman, this community and the entire Pacific Coast suffers an irreparable loss,” Herbert Fleishhacker, the president of the Anglo London and Paris National Bank told the *San Francisco Chronicle*. “A pioneer of Western financiers, his virile energy, sterling ability and high sense of honor were combined to wield a potent influence upon the development of the West, to make him an outstanding international figure. His public interests were as wide as his modestly unheralded private philanthropies were generous” (*San Francisco Chronicle*).

Traces of Hellman still can be seen throughout the state. There are Hellman Streets in Los Angeles, Long Beach, Alhambra, Rosemead, Rancho Cucamonga, and Oakland. A fund bearing his name at the University of California at Berkeley has awarded more than four million dollars in scholarships (“The Isaias W. Hellman Scholarship Fund”). He was lauded as a founder at the University of Southern California’s 125th anniversary celebration.¹⁹ His old home in Lake Tahoe is now Sugar Pine Point State Park.

Even after his death, Hellman’s estate continued to build the state’s economy. On June 23, 1921, the Shell Oil Company, drilling on land on Signal Hill owned jointly by the Hellman and Bixby families, struck a huge reservoir of oil. The well, named Alamitos #1, was the largest source of oil ever discovered in California and the discovery reignited the oil rush. Oil was discovered on another parcel of Hellman’s land in Seal Beach, on land that was part of Rancho Alamitos. It is still producing oil in 2009. It is one of the oldest family-operated oil operations in the state.²⁰

There is no question that Isaias Hellman played a major role in the economic development of California, one equal with the financial titans with whom he routinely did business in the latter half of the nineteenth and beginning of the twentieth centuries. That era is filled with many well-known rags-to-riches stories, such as the rise of the Carnegies and Rockefellers of the Northeast and the Astors of the Northwest. What is notable, however, is that Hellman was regarded primarily as a master builder and community leader and only secondarily as a Jew. Other Jews, such as the Seligmans, Lehmans, Guggenheims, and others in New York City, rose to prominence but were always categorized by their religion. By settling in Southern California, an undeveloped outpost sufficiently far out on the cultural frontier, Hellman was able to escape those constraints. In that rough and tumble world, a self-made man
who also happened to be Jewish could achieve great things and could mix and move in the highest societal circles. Southern California, unlike other regions, had sufficient social fluidity that a Jewish individual could rise to be admired as a mover and shaper of the California West.
1. The 1880 census put the population at just over 11,183 and the 1890 census put the number at 50,395. Historian Robert Fogelson (21) estimates the population at 20,000 in 1885.

2. Besides being president of Wells Fargo Bank and the Farmers and Merchants Bank, during his lifetime Hellman served as president of the Nevada Bank, the Union Trust Company, the Southern Trust Company, the United States National Bank, the Pasadena National Bank and the First National Bank of Monrovia. He also served as a director of the Security Savings Bank, the Los Angeles Savings Bank, the Main Street Savings Bank, the Southern Trust Company, the National Bank of Long Beach, the Long Beach Savings Bank, the Fidelity Trust Company of Tacoma, Washington, the Farmers and Merchants Bank of Redondo Beach, Banca Italia, and Colombus Savings and Loan.

3. Hellmans had been in Los Angeles as least as early as 1854, when Hellman’s cousins Isaiah M, Samuel M, and Herman M. Hellman arrived. Hellman’s maternal uncle, Israel Fleishman, opened a hardware store in Los Angeles with Julius Sichel, who may have been a relative of Philip Sichel.

4. Abraham Edelman was hired as the rabbi for Congregation B’Nai B’rith in 1862. From the start, Edelman and his congregation adapted Judaism to fit the American frontier. B’nai B’rith had a Sunday school for children, a mixed choir, an organ, and sermons and prayers in English as well as Hebrew. For a fuller discussion see Stern and Kramer.


6. There is no information available that determines when Hellman actually set up formal banking services. He opened his store in 1865 and sold it in 1868, so the date lies in those years. This was before John Downey opened his bank, which is why some historians have called Hellman the first banker of Los Angeles.

7. For a more complete discussion of Workman and Temple, see Dinkelspiel 46–48.

8. Hellman sat on the board of the gas company and the San Pedro Railroad; see Dinkelspiel 189.

9. By 1901 Hellman was the largest shareholder of the City Water Company, with 1,200 shares. See letter from William H. Perry to I. W. Hellman.

10. In 1874, Hellman, John Downey, William Workman and F. P. F. Temple invested funds to start the Main Street and Agricultural Park Railway, which traveled from the Plaza down Main Street to Agricultural Park (Dinkelspiel 101).

11. Hellman was involved with the creation or financing of numerous trolley systems in Los Angeles. In 1883, he, William Brodrick and John Wheeler, created the City Railroad of Los Angeles. They merged it in 1886 with the Central Railroad (Dinkelspiel 116). Hellman was also a bond holder in the Temple Street Railway and an investor in the Los Angeles Cable Railway, among others.
12. In 1956, the Security Trust and Savings Bank, then known as Security Pacific, absorbed the Farmers and Merchants Bank. That entity was later bought by Bank of America.

13. Hellman bought 8,000 acres of the former Rancho Cucamonga in San Bernardino County in 1871; acquired a third ownership of 26,000 acres of Rancho Alamitos in 1881, and owned 800 acres of Rancho San Pedro, as well as large interests in the Repetto Ranch and Rancho San Gertrudes. He also bought numerous lots throughout downtown Los Angeles.

14. For a good description of this battle, see Quiett.

15. LARY was created by the purchase of the Los Angeles Consolidated Railway, the Main Street and Agricultural Park Railway, the Main and Fifth Street Railway, the Main, Fifth, and San Pedro Street Railway, and the Los Angeles Railway. The new system initially had 168 miles of track. By December 1898, two other acquisitions had increased the rail line's system to two hundred miles of track. See Dinkelspiel 188. In addition to building rail lines, the friendship between Hellman and Huntington led to the latter's purchase of what is today the Huntington Library and Gardens. Hellman's Farmers and Merchants Bank had foreclosed on the property and in January 1903, sold it to Huntington and Hellman's San Francisco syndicate, which retained a thirty-nine percent interest in the property. See Agreement between H. E. Huntington and Antoine Borel.


17. Hellman had started constructing buildings downtown in the 1870s, including a three story brick building he put up with Ozro Childs on the east side of North Main Street in 1875. In 1905, Hellman built a new headquarters for his Farmers and Merchants Bank on the site of his old homestead on the corner of 4th and Main in Los Angeles, as well as a large L-shaped office building. Hellman also constructed what is now known as the Hellman-Quan building on the Plaza.

18. When Edward Harriman acquired a controlling interest in Southern Pacific in 1901, he also gained control of Wells Fargo Bank. Harriman was more interested in the cash-producing Wells Fargo Express than the underperforming bank unit and he asked Hellman to take it off his hands. Hellman merged his Nevada National Bank with Wells Fargo Bank in early 1905 to form the Wells Fargo Nevada National Bank with fifteen million dollars in deposits.

19. The author was invited by USC to give an address about Hellman and his role in the founding of the university in September 2005. More than 350 people attended the talk, including USC President Steven Sample. The event was sponsored by the Casden Institute for the Study of the Jewish Role in American Life, and the Huntington-USC Institute on California and the West.

20. The Bixby family owned and operated oil lands in the Seal Beach/Long Beach area until 2007.
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