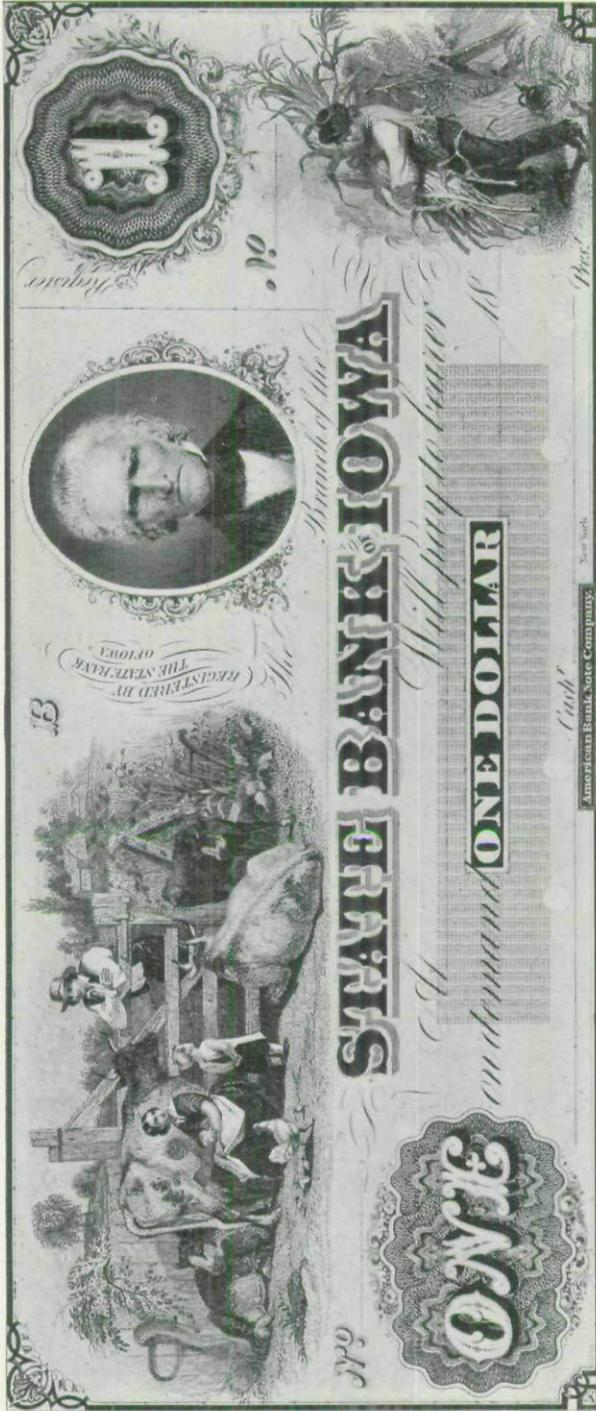


THE BACK OF THE ONE DOLLAR BILL OF THE STATE BANK OF IOWA, 1858-1865.





ONE DOLLAR BILL OF THE STATE BANK OF IOWA, 1858-65.

The above is a facsimile reproduction of an unsigned note. The portrait is an excellent likeness of GEN. ROBERT LUCAS, our first territorial governor. The other cuts represent rural scenes characteristic of Iowa and the West at that date.

(OVER)

THE STATE BANK OF IOWA.

BY MAJ. HOYT SHERMAN.

In a paper published in a preceding number of THE ANNALS was a short sketch of early banking in Iowa. Now it is proposed to give some details of the history of the State Bank. That there may be an intelligent understanding of financial conditions existing just before the creation of that bank, a slight repetition of the former article is given.

But few now living realize what the State of Iowa was in the spring of 1846, fifty-six years ago, with a total of less than 95,000 population, when it assumed the honors of Statehood. There were then thirty-three organized counties—just one-third of its present number—straggling along the west bank of the Mississippi river from Lee to Clayton—the northeast corner county, Allamakee, not then organized—and westward along the Missouri state line four counties, including Appanoose. From Clayton southwesterly to Polk, and from Polk southeasterly to Appanoose, at the Missouri state line, included all of the State of Iowa then settled or organized; all north and west of that line marked the portion of the great Indian Territory belonging to Iowa, unsettled, unmarked, unnamed.

The statesmen of that day did not look with kindly interest on the banker. In their eyes he was an outlaw—a maker of “wild-cat” currency, a usurer, a man who robbed the settler of his claim to a portion of Uncle Sam’s domain, a usurper generally. The pioneers who formed our first constitution, inserted in it a stringent provision “That the general assembly shall provide for the organization of all other corporations, except with banking privileges, the creation of which is prohibited.” And also, “The general assembly shall prohibit by law any person or persons, association, company or corporation from exercising the privileges of banking, or creating paper to circulate as money.”

In order to give force and effect to those provisions of the constitution, the general assembly enacted statutes under the heading of "Offenses Against Public Policy," which included punishment for sale of lottery tickets, selling liquor to Indians, bringing paupers in the State and transacting any business without license; that also provided penalties of one year in the county jail, and a fine of \$1,000, for any company or any person who subscribed to, or became a member of, or in any way interested in, any association or company formed for the purpose of putting in circulation any bill, check, ticket, certificate, promissory note or other paper to circulate as money, etc., etc.; and other sections were added, in which the words were repeated, reversed, and others of similar meaning substituted, in the manner familiar to all who are acquainted with the proper legal way of stating things.

These were about the only provisions of law relating to banking that were to be found on the statute book in that early day, and as they were supposed to reflect the public opinion of the different communities on that subject, it is natural to suppose that the profession was not at that period a very popular one.

Of course "wild-cat," "red-dog," "stump-tail," and all other of those species of bank notes flourished then. The mere fact that the State had prohibited by constitution, as well as by statute law, the organization within its limits, and by our own citizens, of banks of issue, with substantial capital and under strict official supervision, opened wide the doors for the circulation of the "wild-cat" mills of neighboring states, and their proprietors reaped a rich harvest of profit in the way of providing our business men with a circulating medium, worthless in itself, and only redeemable at some point that had no place on the map of the world.

Then, in a greater degree than now, real estate formed the basis and foundation of all wealth throughout the State. From 1846 up to 1855 the United States government was

surveying, preparing and putting on the market, as rapidly as possible, in broad belts running north and south through the State, the rich lands of the Cedar, the Iowa, the Skunk and the Des Moines valleys, and their numerous tributaries; and the fame of the fertility, the beauty, the healthfulness and the ease of culture of these lands had spread all over the north and east, and from every mountain and valley, every town and rural neighborhood, came immigrants singly and in great groups, eager to secure their portion of this, God's richest heritage to man. This was the opportunity for the much abused real estate agent of that early date—the pioneer of the banker of today. He it was who met the eager immigrant at the outer portals—he warned the innocent stranger to beware of the speculator “across the street”—he was ready to cash “for a consideration” the draft on a far distant bank, for Uncle Sam's officials would receive only the golden coin of the realm in payment for land—he always had some Mexican or other land warrants to sell at a discount when the intending purchaser wished to save a few dollars; he always had a fund to draw from when the stranger had no money to pay the government price, \$1.25 per acre, and sell at once on a year's credit at \$1.75 per acre—40 per cent. is what envious people called it; he always could furnish to newcomers who were ignorant of the methods of hunting government lands, a few choice, well-selected forties or quarter sections, for which a reasonable fee was charged; in fact, he was the important personage who, for a consideration, aided the immigrant in securing his slice of the public domain upon which so many made their permanent homes, carved out comfortable fortunes for old age, and raised up and educated children, who were an honor to themselves and to the State of their birth.

This description of these early land agents is given here at some length, because they are at the very beginning and foundation of the banking profession in this State today. Away back in the early forties there were no polished oak

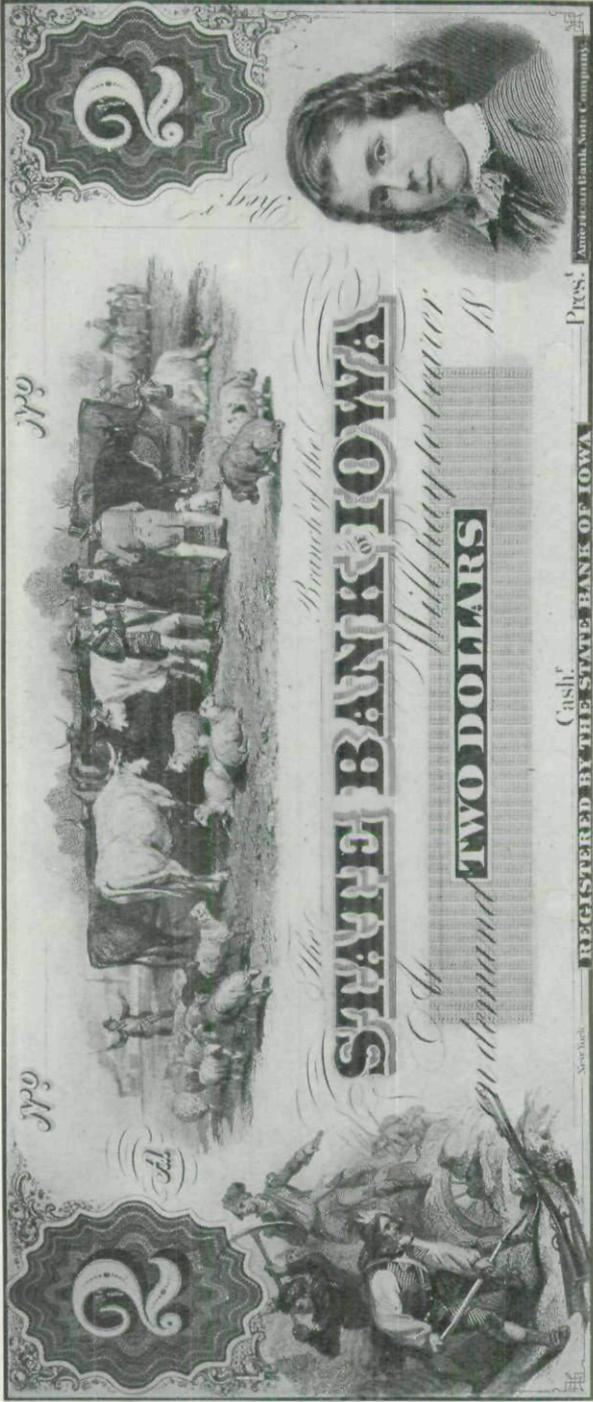
and plate glass counters, no cylinder desks or leather cushioned chairs, no mysterious and complicated typewriter (I refer to the machine) with a pretty girl attachment, to write letters; no immense steel-lined vaults with time locks—only in many cases an old-fashioned hair trunk in which to keep valuables; an empty nail keg or box to sit on—and other features of the most primitive character. Under circumstances and surroundings not only of great personal discomfort, but at times of physical danger, they performed their duties to customers, whether at home or thousands of miles distant, with equal fidelity and promptness, and laid foundations of business probity and confidence that have lasted through the great changes of nearly a half century, in which the State has advanced to a front rank in the roll of agricultural states.

Whenever any of the old families back in New York or New England wish to confirm their claims, par excellence, to eminent respectability, they trace their ancestry up to some old chap who landed from the Mayflower, or at least to a somebody who signed the Declaration of Independence. So too, when any of the bankers of the present day can trace their beginning, or that of their house, back to one of the land agents whose operations have been described here, they can complacently settle back in their easy chairs, with an unquestioned right to eminent respectability in the past.

The transition from acting as agent for others in the purchase of government lands, to legitimate banking, was slow and gradual, covering many years of time. Of course their operations were largely shaped by the course of mercantile business in the several settlements, and that depended upon the highways over which merchandise was transported, and produce sought a market outside the State. There were then none of the great railways, now existing, which fix the arteries of commerce and transportation—then only the great rivers of the West, which formed the highways of trade, and away from their banks the homely two-horse

A FACSIMILE OF THE BACK OF THE TWO DOLLAR BILL ISSUED BY THE STATE BANK OF IOWA, 1868-69.





THE TWO DOLLAR BILL.
 The above facsimile represents the note of this denomination issued by the State Bank of Iowa from 1858 to 1865. The beautiful cuts are doubtless fanciful.
 (OVER)

wagon, or the still slower or more lumbering ox-team, crawling over broad prairies and fording unbridged streams. All these means of transportation for goods, slow and unsatisfactory as they were, and sometimes very risky, had at times to be used by the country bankers, in transmitting their remittances from inland locations to their correspondents at St. Louis, or other Mississippi river points; and it often happened in the course of business, that the same ox-team driver who carried a draft from the country merchant to his wholesale dealer on the river, also carried a package from the country banker to his town or city correspondent, the contents of which package were to be used to pay the merchant's draft. And one well authenticated case is quoted, where the teamster presented the draft at the bank for payment, at the same time he delivered the package from the country banker, and was asked to wait a moment, that the contents of the package be counted and used to pay the draft.

The new Constitution of Iowa was framed by a convention, which met in Iowa City and completed its work March 5, 1857: it was submitted to the electors of the State at the August election of that year and approved, and went into effect by proclamation of the Governor, September 3, 1857. It provided, among other things, that the legislature might create corporations with banking powers, which before becoming valid, should be approved by a majority of the electors at a general or special election, and that subject to above, they might provide for the establishment of a State bank with branches founded on an actual specie basis; that the branches should be mutually responsible for each other's liabilities on all notes intended to circulate as money; that each stockholder should be individually liable to its creditors for all of its liabilities, to an amount equal to the shares held by him; that in case of insolvency the bill holders should have preference over other creditors, and that the suspension of specie payments should never be permitted or sanctioned.

Under that constitutional provision, the legislature passed

a law March 20, 1858, which took effect July 29, 1858, after submission to a vote of the people, to incorporate the State Bank of Iowa. It was prepared with great care, and entered into minute detail of the duties, powers, and responsibilities of the parent bank and its branches. The system adopted followed closely the provisions of the statutes under which the State Banks of both Ohio and Indiana were organized, retaining the leading features of both systems, as to the relations which the branches bore to each other and to the parent bank, the safe-guards enacted for the security of the public in handling their circulating notes, and other prominent features which distinguished the State Bank system from that of other states, with independent charters and local security for circulating notes.

The statute limited the number of branches to thirty, provided that no branch should be established in a town of less than 500 population, and but one branch in any city or town; and created a board of ten commissioners, named from among leading citizens of the State, to supervise the first organization of the bank and branches; and whenever, upon careful examination, they ascertained that five or more such branches were formed, and that their stockholders, directors and officers were men of responsibility and integrity, the commissioners certified the facts to the Governor, who, by public proclamation, announced that the three directors named for the State, in the statute, with one director selected by each branch, constituted the State Bank of Iowa, with full authority to exercise all the duties and privileges conferred upon it by the Constitution and laws of the State.

The panic of 1857 wiped out very many banks in the South and West, and their circulating notes, the value of which was based only on the individual credit of the owners of the bank, or on turnpike and canal bonds, or similar security. Yet it still left in existence banks of circulation in nearly every state but our own, and their notes were to be

found circulating in all of our commercial and agricultural centers. The banks of New England, New York, Pennsylvania and New Jersey had their circulating notes based on the security of State or Federal stocks, deposited with their respective bank comptrollers, and they were always rated at par. The notes of the State Banks of Ohio and Indiana, and of the Bank of the State of Missouri, were issued under a system which provided stringent legal provisions, were subject to close official supervision, and also to a constant inspection by other branches, liable to a certain extent each for the issues of the other, were founded strongly in the confidence of the public, and were, of course, received everywhere throughout the West at par. The issues of the free banks of Illinois and Wisconsin, forming a large bulk of every day circulation, were secured by a deposit of bonds of states, principally of the South and Southwest, of rapidly changing value, and the notes were received with distrust, and subject at times to heavy discounts. A few years later, under the terrible test of civil war, these bonds with the bank-notes based on their value, became utterly worthless and dropped out of sight. Kentucky, Tennessee and other southern states had banks chartered by special acts of their respective legislatures, and the value of their notes, away from points of issue, was based largely upon the individual credit and standing of their respective officers and owners, and while their notes were mainly counted as good, yet local bankers and others were careful to avoid large accumulations of them at any time. Such, in brief, was the condition of financial affairs in this State, as relating to its circulating medium, at the time of the organization of the State Bank of Iowa; and acting on the belief entertained by business men generally, that one effect of the creation of banks of issue in our own State, would be to drive out of its borders all this miscellaneous hodge-podge called money, it can well be imagined how closely, and with what interest, every step in the formation of this new bank system was watched. It can also

be understood that, while Iowa had been, for all these years of the past, the free untaxed field for the circulation of bank-notes of all kinds and values, issued in every portion of the Union, how careful and conservative the promoters of this new system would be, in each step taken towards its perfect organization.

Pursuant to an order issued by the then Governor of Iowa, Ralph P. Lowe, the Board of Commissioners named in the statute to inaugurate the State Bank System, viz.: E. H. Harrison, Ezekiel Clark, W. J. Gatling, C. W. Slagle, Elihu Baker, W. S. Dart, E. T. Edgington, C. H. Booth and J. W. Dutton, met at Iowa City, July 30, 1858, and after organization, adjourned to meet again on September 15 following, to receive and act upon applications for branches. Meeting again at the latter date, they found applications from persons to establish branches at Muscatine, two; Dubuque, two; Washington, Iowa City, Davenport, two; Clinton, Sioux City, Des Moines, Grinnell, Council Bluffs, Wapello, Comanche and Pacific City. These applications were referred to committees from their own number, for personal examination, and after nearly a month's time devoted to the work of investigation, they certified to the Governor that the following named branches were legally organized, the stockholders and officers found to be men of responsibility and integrity, and that such branches had fifty per cent. of their capital stock paid up, and were lawfully entitled to commence the business of banking under the provision of that law:

Branch at Muscatine.

Branch at Iowa City.

Branch at Des Moines.

Branch at Dubuque.

Branch at Oskaloosa.

Branch at Mount Pleasant.

Branch at Keokuk.

Merchant's Branch at Davenport.

THE BACK OF THE THREE DOLLAR BILL OF THE STATE BANK OF IOWA, 1838-1868.



This action completed the legal duties of the Board of Commissioners, and thereafter the affairs of the State Bank were placed under the control of a Board of Directors, consisting of one member from each branch, and three members named by the Legislature of the State.

That Board held its first meeting at Iowa City, October 27, 1858, and as its action had, in some respects, an important bearing on the future of the Bank, a full list of the directors is given here, and in some detail the action taken at this meeting.

The membership was:

W. T. Smith, representing Oskaloosa Branch.

Samuel F. Miller, representing Keokuk Branch.

P. M. Casady, representing Des Moines Branch.

S. J. Kirkwood, representing Iowa City Branch.

Chester Weed, representing Muscatine Branch.

R. Bronson, representing Dubuque Branch.

T. Whiting, representing Mount Pleasant Branch.

Hiram Price, representing Davenport Branch.

And Benjamin Lake and Hoyt Sherman, State Directors.

The permanent officers of the Board were Chester Weed, President; W. T. Smith, Vice-President; Elihu Baker, Secretary and S. J. Kirkwood and Hiram Price, with the Vice-President, formed the Executive Committee. A well framed set of by-laws was adopted, defining powers and duties of officers, among other things that the President should personally examine all branches as often as he deemed necessary, or on the request of any three directors, and that he should retain custody of bonds of all cashiers of the branches. That the Executive Committee should hold monthly meetings, to examine statements made by branches, order personal examinations when deemed necessary, call special meetings of directors, look after blank circulating notes in hands of the secretary, and have general supervision of the affairs of the bank, as well as all branches. Another committee was named to receive and consider applications for new branches,

and examine into legality of organization, character, standing and residence of stockholders and officers, and if the report of that committee was favorable, a two-thirds vote of the whole Board was requisite to the admission of any new branch. It is well to state here that the State Bank proper was not a bank of issue or deposit. It transacted no business except with the branches, (only that made necessary in the purchase of blank circulating notes for use of branches, from the engravers.)

It was composed of one representative from each branch, and three other directors, representing the public at large, and its proper functions were, to supply the branches with their circulating notes, and to exercise a close supervision over the business of each branch, so that the public, as well as every other branch, should suffer no loss or damage by reason of the act of any branch. At that first meeting of the Board, the whole subject of procuring circulating notes from the engravers, selecting appropriate vignettes and designs, and making contracts for printing, was referred to a committee, consisting of Messrs. Price and Sherman; and it then provided that circulation should be furnished to the different branches as fast as prepared for use, in the proportion of one and one-half dollars of circulating notes to each dollar of paid up stock. During the existence of the State Bank, besides the eight branches formed at its organization, seven more were admitted from time to time, as follows:

Lyons City Branch, admitted February 17, 1859.

Burlington Branch, admitted March 18, 1859.

Washington Branch, admitted March 18, 1859.

Ft. Madison Branch, admitted August 11, 1859.

McGregor Branch, admitted February 15, 1860.

Council Bluffs Branch, admitted November, 1860.

Maquoketa Branch, admitted February 10, 1864.

Making the whole number of branches fifteen. The Board also adopted an order, at this first meeting, requiring that the by-laws of the branches should show affirmatively that

the security for loans must be endorsements on bills discounted—no collaterals. As indicating the drift of public sentiment at that time with reference to the institution, its President at the May meeting, 1859, calls attention to the fact that brokers and private bankers had combined to make a run on the branches, by gathering in from all sources and returning their notes for redemption, and recommends that they agree on a uniform rule of redemption in exchange at cost; but as the law had fixed definitely the manner of redeeming their notes, the Board took no action on that recommendation. The President at the same time called attention to the fact that certain persons were trying to force the notes of Minnesota banks into circulation in this State, and that as the law under which they were issued was very defective, recommended that the branches refuse to receive them, which was adopted. At the August meeting of the Board, the branches were authorized to receive the full amount of circulation to which they were entitled by statute—that is, two for one of paid up capital stock. February 15, 1860, the Board elected Hiram Price as its President and Elihu Baker as Secretary, and these gentlemen were retained in their respective offices during the entire life-time of the bank, and at its last regular meeting in August, 1865, were voted unanimously the thanks of the Board for continuous and faithful discharge of their official duties. At this meeting occurred, for the first time in the history of the bank, the need to apply the methods established by law and regulation for the strong to help the weak branches, and the wisdom of such course was well illustrated in this case.

It was found that the Muscatine branch had made unsafe investments, and weakened its standing financially. The Executive Committee promptly took charge of its affairs, brought about reorganization in ownership and officers, called upon other branches for such aid as was required, which was favorably responded to, and that branch was, with little or no delay, and without the loss of a cent to its customers and note

holders, or suspension of its regular business, again put on a firm and solvent basis. The test was severe but successful, and well illustrated the advantage that banks joined together under a common system and regulation, and in a certain degree responsible each for the action of the others, had over banks under individual and independent charters.

From the very beginning of the organization of the bank, throughout the whole period of its history, the greatest care was taken to ascertain the financial standing and responsibility of the individuals interested in establishing branches, or in subscribing to increased capital of those already established, and that they should be residents of the places where branches were located. Several applications for branches, and also for increased stock, were rejected or suspended, because they failed to come up to the high standard fixed by the Board.

To indicate the community of interest which the parent bank desired to create between the different branches, the following resolution, passed at an early session, is given here:

Resolved, That good policy would dictate to the several branches the necessity of treating the notes of each other with the same care they would their own, and in no case to use them at such places, or through such parties, as will cause their return for coin or exchange, and this bank would earnestly recommend such a course of action upon the part of all branches.

The unsettled condition of the country was recognized by the Board, in its action at the May, 1861, meeting, by the following:

Resolved, That the President be instructed to receive no bonds of Southern States on account of Safety Fund, and to invest no funds of branches in his hands in other than United States or Northern States stocks.

It will be remembered that in the winter of 1861-2, the general government, then bending all its energies, and bringing into use all its tremendous power, for the suppression of the rebellion, suspended the payment of specie in its disbursements, using instead the legal tender notes, made by acts of Congress receivable for all debts, public and private. This action was followed at once by a very heavy premium



THE BACK OF THE FIVE DOLLAR BILL OF THE STATE BANK OF IOWA, 1838-1868.



FACSIMILE OF AN UNSIGNED FIVE DOLLAR BILL.

The portrait on this bill is that of the illustrious ANTOINE LE CLAIRE—a pioneer and one of the original proprietors of the town of Davenport. He was also one of the strong pillars of the old State Bank of Iowa. The cut in the center represents a team of four yokes of oxen drawing a "prairie schooner" wagon. The artist, however, placed the driver on the wrong side of his team.

(OVER)

on gold coin, beginning at ten per cent, and advancing rapidly to a much higher rate. As the notes of the State Bank, then over a million dollars, were all payable in coin, and the constitution of this State prohibited the suspension of specie payments, it became a very grave matter with the Board what action to take, to prevent the immediate return for redemption of this large sum, to the great injury of the banks, and also to the inconvenience of the business public, by the withdrawal at that critical period of so large an amount of first class circulation, to be replaced, of course, by the notes of banks of distant states, not redeemable and of questionable value. The following resolutions outline the Board's action, and that of the branches:

Resolved, By the Board of Directors of the State Bank of Iowa:

1. That the present condition of the branches now organized, as shown by the regular monthly reports made up to the 3d instant, (which have received the careful examination of this Board,) exhibiting a specie reserve of \$754,412.23 in possession of the branches against \$1,111,908 of circulation, (\$140,000 of which is held by themselves) is satisfactory evidence of the strength of this institution, and entitles it—as we think—to the fullest confidence of the public. In view, however, of the fact of the actual suspension of specie payments by nearly all the banks of the country outside of this State, and of the probability of the early passage of an act of Congress authorizing the issue of \$150,000,000 of United States demand treasury notes to be used as a circulating medium, and to be made a "legal tender" in the payment of all debts, public and private, thereby rendering it obligatory on all the branches to receive such demand notes in payment of any and all debts due them. And, in view of the fact that a continuance of the indiscriminate redemption in coin of the circulating notes of the branches will inevitably result in depleting their vaults of the specie now on hand, to the benefit mainly of non-residents of this State, and of brokers and others engaged in collecting the present outstanding circulation for speculative purposes, without conferring any substantial advantage or profit to the people of this State; it is the deliberate opinion of this Board that the highest consideration of duty to themselves and the people of this State require—

2. That whenever the bill now pending in Congress authorizing the issue of United States demand treasury notes and making such notes a legal tender in the payment of all public and private debts shall become a law and be in force, it shall not—in the opinion of this Board—be deemed a forfeiture of the charter of any branch for such branch to offer in redemption of their bills any such United States notes aforesaid.

3. That while this Board leaves it entirely to the discretion of the branches to exercise their own choice in the matter, whether they will redeem their circulation in coin or United States notes (in the event of their being made legal tender) when presented by any banks, brokers, non-residents, or any agent or agents of such banks, brokers or non-residents; it nevertheless enjoins it upon each and every branch as a solemn and unquestioned duty devolving upon them, to continue as now and heretofore to redeem, under any and all circumstances and contingencies, *in coin*, all their notes in the hands of bona fide holders of such notes amongst the people of our own State, whenever presented for that purpose.

Which was on motion adopted.

It will be noted that, while they provide a method to prevent brokers and others from returning their notes for coin for mere speculative purposes, at the same time they urge the branches to continue the redemption in coin, of all notes in the hands of the people of our own State, who are bona fide holders of same. This action was followed by another resolution, that in the event suit was brought against any other branch, for offering to redeem its notes in United States legal tender bills, the State Board would assume the charge and expense of such suit, employ counsel to defend the branch involved, and assess the cost of litigation among all the branches.

At that period in the progress of the civil war, and following it for many months, the State and local authorities were using every energy and effort, in response to the calls of the general government, to raise, organize, clothe and equip volunteers for military service, and were forced from lack of funds, to fall back upon state credit, to pay bills incurred in that work. In that emergency, a new burden was placed upon the branches—that of aiding the State government in protecting its credit, and securing a market for the warrants on the treasury, in advance of revenue to be collected. This was a great undertaking for the branches, in the troublous times caused by the bitter civil war then pending, in addition to caring for their own circulating notes, looking after the interests of their customers, and in other ways protecting their own credit; yet that duty was performed, fully and

faithfully, and with a cheerfulness that indicated the highest order of patriotism on the part of the branches and their respective managers. As a matter of economy, the State Board adopted the rule at the start, to print the circulating notes of all branches from one plate, leaving each branch to write its own name in a blank space on the face of every note issued by it. The practical effect of this rule was, that the written title of the branch became indistinct and defaced before the printed part, and to avoid as much as possible the difficulty of apportioning to each branch its own issue alone, it was ordered that the bank notes be returned for redemption and replacement by new ones before they became defaced or much worn. At one of the Board meetings in May, 1862, mutilated currency to the amount of \$33,300 was destroyed for reasons above stated, and every meeting following a greater or less amount was burned. Following this it was reported to the Board that branches at Burlington, Keokuk, Oskaloosa and Muscatine had committed acts of insolvency, refusing to redeem their circulating notes on presentation. Early investigation showed that they offered in all cases United States legal tender notes in redemption, and their action was promptly ratified. A queer order entered by the State Board, illustrating its parental care towards branches, was that those keeping their Chicago accounts with Solomon Sturges & Sons, then a very prominent house, should close them within sixty days, "because of legal disabilities of the head of the house by reason of his insanity." They were also ordered at the same time to retain within their vaults the full twenty-five per cent. of their circulation, the need for that order being suggested by the great temptations on the part of the branches to sell and realize the heavy premium then current on gold coin. During the fall of 1863 and winter of 1864, while the whole country was absorbed in the progress of the great war then being waged over the southern half of the Union, the affairs of the bank and its branches moved on with little or no friction. It had adjusted its movements to meet

officers and directors of the branches represented some of the highest and strongest financial and business ability in the communities where located, and as a consequence, these branches at once commanded the entire confidence of the public. With this general statement of the character and standing of the individuals composing the branch banks, there is also added a list of names of presidents and cashiers of the eight branches that made the first start in business:

Oskaloosa Branch—James Rhinehart, president; Wm. T. Smith, cashier.

Keokuk Branch—E. H. Harrison, president; O. C. Hale, cashier.

Iowa City Branch—E. Clark, president; C. W. Fracker, cashier.

Muscatine Branch—Q. A. Patterson, president; I. W. Dutton, cashier.

Dubuque Branch—R. E. Graves, cashier.

Mount Pleasant Branch—T. Whiting, president.

Merchants' Branch, Davenport—Hiram Price, president; W. W. Woodward, cashier.

Des Moines Branch—B. F. Allen, president; Hoyt Sherman, cashier.

The limited space here available prevents a review at great length of the operations of the different branches, and reference can be made to them only in a general way. Beginning business as they did, early in 1859, when the whole field of Iowa was occupied with a very miscellaneous kind of circulation, a large part of which found its most profitable place within our limits, and its promoters were prepared to throw every obstacle in the way of anything that would force it from the State, and when the whole country was in the first throes of a political revolution, the end of which might be the destruction of the government, and of all property values, it was natural that their beginning would be slow and labored. Yet from the start, these few branches secured the complete confidence of the communities where located, and

THE BACK OF THE TEN DOLLAR BILL OF THE OLD STATE BANK, 1838-63.



their circulation was welcomed and sought after by all classes, as a decided improvement over the paper it drove out of the State, and as an equivalent to gold. As new branches were formed from time to time, and new capital added, the same high confidence was manifested in the branches and their circulation. During the course of their business history, a few of the branches at different times made mistakes in their investments, or temporarily mismanaged funds in their hands. These events worked no injury to their customers or the public, and in fact were not known outside of the bank circles, until long after they were passed, and the dangers overcome. They became a strong illustration of the principle of fellowship in business, underlying the State Bank system. A local officer or board may become tempted to overload a bank with paper of doubtful value, to extend disproportionate aid to a single person or firm, or commit other acts of doubtful prudence, and be unaware of the danger until too late. The cool, dispassioned, unprejudiced judgment of the other Branches, enables them to see the danger at once, and apply the remedy in time to protect their crippled brother, as well as to avoid on their part a contingent liability. Notwithstanding the terrible war pending, the effects of which reached all communities, great and small alike, and crippled so many financial institutions throughout the country, the business conducted by the branches was fairly profitable to their stockholders. Every dividend declared, by the terms of the statute, had to be approved by the State Board before payment, and by that means a reference to the records of the State Bank discloses all dividends paid. Those declared by the different branches for the year 1860, as approved by the State Board, were as follows:

Name of Bank	May dividend	November dividend
Burlington.....	5 per cent	5 per cent
Des Moines	7 "	7 "
Mt. Pleasant.....	5 "	5 "
Dubuque	5 "	5 "
Keokuk	5 "	10 "
Washington	5 "	7½ "
Davenport.....	4 "	12 "
Iowa City.....	5 "	9 "
Oskaloosa	10 "	9 "
Fort Madison.....	None	10 "

The other branches belonging to the system declared no dividends in 1860, but divided larger sums the following years.

It would be an interesting task at this time, to trace out the growth and development of each branch, from its official monthly returns, but the space already occupied prevents that. Reference only in a general way can be made to that division of the subject. Appended to this article are full copies of the first monthly statements of the eight original branches, made under date of February 7, 1859; and full copies of official statements of the fifteen branches in existence January 2, 1865, that particular date representing the "high water mark" of the State Bank of Iowa, the date that it attained its highest sum in assets and liabilities. Following this are the totals of both these reports. Persons wishing information as to any particular branch or branches can find it in the following tables:

FROM STATEMENT OF EIGHT BRANCHES, FEB. 7, 1859.

ASSETS.	
Safety fund.....	\$ 31,680.40
Specie	171,248.64
Notes of other banks.....	82,258.00
Due from other banks.....	95,365.59
Loans and discounts	155,414.49
Other items	27,698.81
	\$ 563,665.93
LIABILITIES.	
Capital	\$ 215,550.00
Circulation	106,798.00
Due depositors and other banks.....	235,383.31
Other items	5,938.62
	\$ 563,665.93

FROM STATEMENT OF FIFTEEN BRANCHES, JAN. 2, 1865.

ASSETS.	
Safety fund.....	\$ 308,905.54
Specie	389,802.11
Notes of other banks.....	1,300,482.76
Due from other banks.....	668,511.81
Loans and discounts	2,468,362.53
U. S. and State bonds and other items.....	484,027.66
	\$5,620,091.41
LIABILITIES.	
Capital.....	\$ 1,048,200.00
Circulation	1,439,764.00
Due depositors and other banks	2,886,391.67
Other items	245,735.74
	\$5,620,091.41

STATEMENT FEBRUARY 7, 1859.

ASSETS.

NAME OF BRANCHES	Safety fund	Specie	Notes of other specie paying banks	Due from specie paying banks	Loans and Discounts	Other items
Muscatine Branch.....	\$ 4,843.75	\$ 17,560.24	\$ 25,926.00	\$ 11,304.76	\$ 18,380.00	\$ 6,776.78
Dubuque Branch.....	3,750.00	15,659.25	16,721.00	20,336.65	17,727.42	6,456.11
Keokuk Branch.....	3,480.00	17,620.48	3,289.00	19,798.14	26,835.53	2,576.44
Mount Pleasant Branch.....	2,940.00	14,467.54	6,885.00	10,462.62	18,718.44	3,186.72
Merchants Branch, Davenport.....	6,000.00	34,024.39	13,608.00	8,482.89	20,888.99	3,784.41
Oskaloosa Branch.....	3,125.00	15,595.16	4,817.00	13,159.14	13,531.57	1,818.19
Branch at Iowa City.....	3,875.00	32,523.00	6,811.00	8,597.09	12,899.00	1,250.09
Branch at Des Moines.....	3,666.65	23,798.58	4,201.00	5,224.30	24,433.54	1,850.07
Total	\$ 31,680.40	\$ 171,248.64	\$ 82,258.00	\$ 95,365.59	\$ 153,414.49	\$ 27,698.81

LIABILITIES.

NAME OF BRANCHES	Capital	Circulation	Due other banks	Depositors	Other items
Muscatine Branch.....	\$ 34,000.00	\$ 15,395.00	\$ 165.42	\$ 33,945.04	\$ 686.07
Dubuque Branch.....	30,000.00	11,577.00	.....	38,374.25	699.18
Keokuk Branch.....	26,250.00	17,121.00	443.60	28,674.05	1,110.94
Mount Pleasant Branch.....	25,000.00	10,686.00	.....	20,060.68	913.64
Merchants Branch, Davenport.....	25,300.00	10,189.00	387.84	50,310.83	601.51
Oskaloosa Branch.....	25,000.00	12,380.00	.....	14,340.40	325.66
Branch at Iowa City.....	25,000.00	17,096.00	145.69	23,095.64	617.85
Branch at Des Moines.....	25,000.00	11,750.00	.....	25,440.37	983.77
Total	\$ 215,550.00	\$ 106,794.00	\$ 1,142.05	\$ 284,241.26	\$ 5,988.62

STATEMENT JANUARY 2, 1865.

ASSETS.

NAME OF BRANCHES	Safety Fund	Specie	Notes of other banks	Due from other banks	Loans and Discounts	U. S. and State bonds	Other items	Total Resources
Burlington Br...	\$ 35,500.00	77,526.60	\$ 243,654.63	\$ 139,525.95	\$ 470,432.68	\$ 19,100.00	\$ 3,454.03	\$ 989,193.89
Council Bluffs Br.	68,000.00	6,333.80	25,520.23	64,148.94	59,664.27	1,824.53	11,192.06	236,683.83
Davenport Br...	25,000.00	3,284.20	217,401.00	58,147.02	166,490.64	54,600.00	11,376.36	536,299.22
Des Moines Br...	19,500.00	36,731.00	66,646.37	4,735.34	173,894.19	10,000.00	1,986.15	313,493.05
Dubuque Branch	36,305.54	71,806.11	102,817.00	84,345.19	427,826.96	115,956.09	20,408.39	859,465.28
Fort Madison Br.	19,000.00	16,674.00	38,433.12	7,577.24	60,272.00	3,588.70	20,021.90	165,466.96
Iowa City Branch	13,000.00	8,775.45	112,415.82	37,453.42	128,823.96	27,888.61	2,818.52	330,875.78
Keokuk Branch...	20,000.00	38,288.30	71,835.79	41,353.11	169,090.43	40,278.16	2,871.96	383,717.75
Lyons City Br...	12,500.00	33,678.70	47,487.00	68,223.87	86,037.60	8,200.00	5,227.99	261,355.16
Maquoketa Br...	7,700.00	15,543.82	46,747.85	27,200.91	30,603.74	1,687.48	4,221.65	133,705.45
McGregor Branch	7,000.00	4,934.59	8,007.55	.....	58,981.79	1,050.00	84.51	80,058.44
M't Pleasant Br..	12,000.00	23,526.31	123,446.67	13,383.80	175,677.63	31,287.14	10,993.28	390,314.83
Muscatine Branch	11,000.00	19,754.65	73,372.99	55,000.26	158,955.43	7,022.00	16,094.20	341,199.53
Oskaloosa Branch	12,000.00	22,270.28	31,006.94	21,029.97	108,734.19	.....	6,833.95	201,875.33
Washington Br..	10,400.00	10,674.30	91,688.80	46,686.79	192,877.02	38,700.00	5,260.00	396,286.91
Total	\$ 308,905.54	\$ 389,802.11	1,300,481.76	\$ 668,511.81	2,468,362.53	\$ 361,182.71	\$ 122,844.95	5,620,091.41

STATEMENT JANUARY 2, 1865.

LIABILITIES.

NAME OF BRANCHES	Capital	Circulation	Due Other Banks	Depositors	Other Items	Total Liabilities
Burlington Branch.....	\$ 150,000.00	\$ 266,940.00	\$ 1,265.93	\$ 552,177.08	\$ 18,810.88	\$ 989,193.89
Council Bluffs Branch.....	50,000.00	97,904.00	113.64	57,135.40	31,530.79	236,683.83
Davenport Branch.....	60,000.00	1,785.00	5,454.88	452,751.13	16,308.21	536,299.22
Des Moines Branch.....	78,000.00	140,035.00	1,404.19	83,369.55	10,684.31	313,493.05
Dubuque Branch.....	150,000.00	283,837.00	9,148.04	361,474.90	55,005.34	859,465.28
Fort Madison Branch.....	77,000.00	68,886.00	187.41	19,493.55	.....	165,566.96
Iowa City Branch.....	70,000.00	32,276.00	479.41	214,772.12	13,348.25	330,875.78
Keokuk Branch.....	80,000.00	132,477.00	1,233.03	156,232.69	13,773.03	383,717.75
Lyons City Branch.....	50,000.00	86,586.00	1,501.70	111,758.22	11,509.24	261,355.16
Maquoketa Branch.....	25,000.00	30,640.00	46.10	73,339.98	4,679.37	133,705.45
McGregor Branch.....	50,000.00	19,484.00	296.59	4,009.50	6,268.35	80,058.44
Mount Pleasant Branch.....	50,000.00	90,390.00	1,616.39	212,738.70	35,569.74	390,314.83
Muscatine Branch.....	58,200.00	64,380.00	12,069.99	199,816.66	6,722.88	341,199.53
Oskaloosa Branch.....	50,000.00	81,131.00	.....	64,355.49	6,388.84	201,875.33
Washington Branch.....	50,000.00	43,003.00	110.27	288,037.13	15,136.51	396,286.91
Total.....	\$ 1,048,200.00	\$ 1,439,764.00	\$ 34,929.57	\$ 2,851,462.10	\$ 245,735.74	\$ 5,620,091.41

A few weeks after the last report was made, the total capital stock reached the sum of \$1,170,200, but it was a temporary increase made to enable certain branches to transfer their business to the National banking system.

Though the State Bank of Iowa was in operation but a few years, it passed through and survived one of the most trying periods in the existence of this government; a period of civil war and wide-spread disaster, that disturbed all values and revolutionized the whole monetary system. It left behind it, as part of its history, a reputation for safety, prudence, reliability, and other business virtues, not excelled by any other institution of its kind in the whole Union.

If, at any time in the future, the present system of National Banks should be abandoned, for financial or political reasons, no mistake will be made in adopting in place of it, the principles of mutual liability and mutual supervision, which lay at the foundation of the State Bank system, and which will insure in the future, as it commanded in the past, perfect confidence and safety for all.

DES MOINES, IOWA, June 1, 1901.

OUR enterprising fellow citizen, John H. Sullivan, Esq., proprietor of the steam mill at Rockingham, is about to add another run of burrs, and two other bolts for flouring, and another run of stones exclusively for corn. With this addition to his establishment, he will be enabled to meet the increasing demand for bread stuffs. Mr. S. sells flour for \$3 per 100 pounds, whilst the flour brought from St. Louis has been selling at \$5 and \$6 per 100 pounds, and in Stephenson, Ill., immediately opposite this place, it is retailing at \$4 per 100, although in the neighborhood of several steam and water mills. Mr. S. certainly deserves much credit for his patriotic endeavors to furnish his fellow citizens with bread stuffs, on better terms than can be procured elsewhere.—
Iowa Sun, Jan. 1, 1840.

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