

Insurance of Bank Obligations in Iowa, 1858-1865

MATERIALS REGARDING
INSURANCE OF BANK OBLIGATIONS IN IOWA, 1858-1865

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CHAPTER 87.

AN ACT to Incorporate the State Bank of Iowa.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa*, That the State Bank of Iowa be and the same is hereby incorporated with all the powers hereinafter granted, and by that name shall be capable of contracting and being contracted with, and of prosecuting and defending actions as fully as natural persons, and of doing all other acts necessary to effect the objects contemplated in this act by the creation of said corporation.

State Bk Incorporated.

SEC. 2. That as soon as five or more branches of the State Bank of Iowa shall be organized as in this act is authorized, the Directors of the said State Bank of Iowa appointed by such branches, shall meet in Iowa City at such time as shall be designated by the Board of Bank Commissioners, who shall give ten days previous notice to each branch, of the time of such meeting, and provided two-thirds of the whole number of such Directors shall be convened, they shall organize by taking an oath, diligently, faithfully, and impartially to perform the duties imposed upon them by by this act, a certificate of which oath, signed by each Director, shall be filed and preserved in the office of the Secretary of State, and by electing some one of their number as President, who shall preside at the meetings of the Board and sign its official documents; and thereafter the directory of the State Bank shall be composed of one Director, appointed by each branch of said Bank, two-thirds of whom shall be a quorum; and other branches may be organized under such Directory as is herein provided.

Five or more branches may organize.

Meet at Iowa City.

Elect Pres't.

SEC. 3. The Directors shall, when they deem it necessary, elect a Vice President, whose duty shall be prescribed by the by-laws. They shall appoint a Secretary, who shall keep a fair and true record of the proceedings of the Bank. They shall keep an office in Iowa City, which together with their books, papers, records, and accounts of every description, shall at all times be open to the inspection of any committee of the General As-

Directors may elect a Vice President and Sec'y.

Office kept at Iowa City.

- Open to inspection. assembly, or either branch thereof, and of any Commissioner or Commissioners specially appointed for that purpose by the General Assembly, or either branch thereof, or by the Governor of the State. They shall procure and furnish each branch with notes for circulation, and decide on the amount to be furnished from time to time to each, within the limits and agreeably to the rules and restrictions prescribed by this act. They may prescribe rules for the settlement of balances between branches, revise their by-laws and regulations concerning charges for making collections, and cause both to be made uniform, or as nearly so as may be expedient. They shall have power by themselves, or by a committee of one or more members of their own body,
- Furnish branch's with notes. or by a special agent appointed by them for that purpose, whenever, and as often as they shall think proper, to visit any branch, inspect its books, records and accounts, and all the evidences of debt due to and securities held by such branch, examine and ascertain the amount of money and other property held by such branch; examine on oath the President, Vice President,
- Examine branches. and Directors, and Cashier, and all other officers, agents, clerks, or servants of the branch, touching its condition, means and liabilities, they shall have power to require any branch to reduce its circulation or other liabilities within such limits as they shall, after full enquiry into its condition, deem necessary to secure from loss either the dealers with such branch, or the other branches of the State Bank of Iowa. They shall, as soon after the first Monday of every month as practicable, publish in some newspaper printed at Iowa City, a consolidated abstract of the monthly reports of all the branches, showing their assets, liabilities and condition, which statements shall be recorded in a book or books to be kept for that purpose. They may appoint an executive committee of not less than three, of whom the Vice President shall be one, to act in behalf of the Bank in all such cases as shall be prescribed by the by-laws of said Bank, not inconsistent with this act.
- May reduce circulation.
- Publish abstract of monthly reports.
- Ex-Committee

SEC. 4. The President, Vice-President, Secretary

and all officers and agents of the Bank, shall each receive such compensation for their services as said Bank shall allow, which shall be assessed upon the several branches of the State Bank of Iowa, in the ratio of their capital stock. The Bank may also allow the executive committee such compensation as it may deem just and reasonable, to be paid by the several branches in the same manner; and the expenses of procuring plates and printing notes of circulation, shall be paid by the several branches in the ratio of the notes of circulation received by each.

Compensation of officers.

Expense of plates

SEC. 5. Each Director of the Bank, appointed by the branches, shall continue in office until the first Monday in February next after his appointment, and until his successor shall be appointed and qualified. Vacancies in the Board shall be filled by the branch by which the appointment vacated was made. In voting, each member shall be entitled to two votes, and to one additional vote for every fifty thousand dollars of the amount of capital stock paid into the branch represented by him over one hundred thousand dollars, at the time of such voting. The President and Vice-President of the Bank shall hold their offices for one year, and until their successors are appointed; but they may be removed by a resolution of the Board. They and all other officers and agents of the Bank shall take an oath faithfully, diligently, and impartially, to fulfill the duties of their appointments, and not knowingly violate any of the provisions of this act. They shall be required to give bond in such sum, and with such securities, as the Bank shall prescribe, and all vacancies in said appointment shall be filled by the Bank.

Appointment of Directors.

Vacancies filled.
Ratio of Voting.

Term of officers.

Take oath.

Give bond.

SEC. 6. All notes designed for circulation by the branches, shall be furnished by the State Bank of Iowa; but no notes shall be delivered to any branch until they are numbered and countersigned by some person authorized by the State Bank of Iowa to countersign the same as register, and a full record of such numbering and countersigning made in a book provided for that purpose; and all such notes shall have stamped or printed

State Bk to furnish branches with notes, register'd and numbered.

Worn and defaced notes exchanged and destroyed.

on their face the words, "Registered by the State Bank of Iowa." All notes so worn, defaced, or mutilated, as to be unfit for circulation, shall be returned by the branch by which they were issued, to the Bank and an equal amount of new notes received therefor; all such notes so returned by a branch, shall be credited, and all new ones delivered in their stead shall be charged to such branch on the books of said Bank; and the notes so returned shall be burned to ashes in the presence of the President or Vice President, and at least two of the Directors of said Bank.

Branches to furnish stocks as security for notes.

SEC. 7. Before the Bank shall deliver to any branch, notes for circulation, it shall require such branch to pay over or deposit to the credit of said Bank, as said Bank shall order, either in money or United States Stocks, or interest paying State Stocks at their current value in the city of New York, but in no instance above their par value, an amount equal to twelve and one half per cent on the amount of the notes for circulation, which shall be delivered to such branch. And so from time to time as any branch, by the paying of an additional amount of its capital stock, or by not having received the amount of notes for circulation to which it was previously entitled, shall receive an additional amount of notes for circulation; such branch shall deposit with the Bank twelve and one half per cent on the amount of notes so received; and the stocks and money so deposited shall be denominated the "Safety Fund," and shall be invested as hereinafter provided, and held by the Bank as the property of said branch, in trust for the benefit of the several branches of the State Bank of Iowa, and as a fund for the redemption of the notes of circulation of any one or more of said branches that may fail to redeem its notes, to be applied to that purpose in the manner pointed out in this act.

Branches deposit stocks as a Safety Fund for the redemption of notes.

Bank holds the stocks.

SEC. 8. All money so deposited or paid to the Bank on account of the Safety Fund by any branch, shall be under the direction of said Bank, invested either in interest paying Stocks of States or of the United States. Each branch shall be entitled to receive the interest ac-

cruing on the stocks in which its portion of the Safety Fund shall have been invested, and in case of the insolvency of any branch, the stocks in which the money of such branch shall have been invested as aforesaid, if the proceeds of such stock shall be sufficient to redeem its outstanding notes of circulation, shall as far as practicable be first converted into money and applied to that purpose, before any part of the Safety Fund belonging to other branches, shall be so applied.

Branches receive the interest.

Insolv't branch's stocks first convert'd into money.

SEC. 9. The State Bank of Iowa shall not furnish to any branch, circulating notes to an amount bearing a greater proportion to the capital stock of said branch actually paid in and at the time remaining undiminished by losses, or withdrawal, than the proportion hereinatter specified, that is to say: On the first hundred thousand dollars, or any lesser amount of its capital, not more than twice the amount of such capital, on the second hundred thousand dollars, or part thereof, not more than one and three quarters the amount of such capital, over one hundred thousand; on the third hundred thousand dollars or part thereof, not more than one and a half the amount of such capital, over two hundred thousand; nor shall said Bank furnish to any branch circulating notes of any other denomination than of one dollar, two dollars, three dollars, five dollars, ten dollars, twenty dollars, fifty dollars and one hundred dollars. Of the notes furnished to any branch not more than ten per cent of the amount shall be in notes of one dollar each, not more than ten per cent in notes of two dollars each, and not more than twenty-five per cent shall be in notes of all denominations under five dollars, and not more than fifty per cent in notes of all denominations under ten dollars.

Bank furnishes notes.

Twice the first hundred thousand.

One and three fourths times the second hundred thousand.

One and a half times the third hundred thousand.

The per cent of small notes furnished each branch.

SEC. 10. If any branch of the State Bank of Iowa shall refuse to pay its notes of circulation, or any of them, in gold or silver coin, the lawful currency of the United States, on which payment shall be lawfully demanded at its banking house or customary place of doing business, during the usual banking hours, such branch shall be deemed to have committed an act of insolvency, and thereupon all its property, credits, securities, liens and

Branch refusing to redeem in specie declared insolvent, and State B'k takes possession.

May redeem in silver only to amount of legal tender.

Notes to \$100 one demand.

assets of every description shall forthwith vest in and be the property, credits, securities, liens and assets of the State Bank of Iowa, for the uses and purposes declared in this act. And the said branch shall only be allowed to make payment of any such lawful demand in silver coin where the sum so demanded does not exceed the amount for which silver coin is a legal tender according to the laws of the United States, and when payment shall be demanded on more than one of its notes at the same time, the aggregate amount of such notes so presented for payment to the amount of one hundred dollars shall be considered but one demand.

State Bank appoints an examining Com. and receivers for insolvent branch.

SEC. 11. The State Bank of Iowa, on receiving information that any branch has committed such act of insolvency, shall forthwith appoint a committee of one or more of its Directors, or others, who shall make immediate enquiry into the truth of such information, and report thereon to the Bank; and if the Bank shall be satisfied from the report of the committee, that such branch has suspended the payment of its notes in gold and silver as provided in section ten, (10) it shall forthwith appoint a suitable receiver, or receivers, who shall take immediate possession of the books, records, money, choses in action and property of such branch, of every description, and hold the same for the joint use of the other branches of the State Bank of Iowa, and the creditors of the failing branch, and the State Bank of Iowa shall immediately provide money and place the same in such solvent branch or branches, as may be most convenient for the purpose of redeeming the notes of such failing branch, and shall give public notice thereof in some newspaper printed in the place where such failing branch is located, also in some newspaper of general circulation published in Iowa City.

Give public notice.

Solvent branch's make up losses of insolvent branch.

SEC. 12. Each solvent branch shall contribute in the ratio of the circulation to which it is entitled, to the sum necessary for redeeming the notes of the failing branch, as provided in the preceding section, on the requisition of the State Bank of Iowa, and may be remunerated for such contribution from the Safety Fund, as soon as

money sufficient can be raised from that fund, by a sale or hypothecation of the stock, funds, or other securities belonging thereto. Reimbursed from Safety Fund.

SEC. 13. The receiver or receivers appointed as provided in the eleventh section, shall be required to give bond in such sum, and such securities as the State Bank of Iowa, or Executive Committee, shall judge sufficient, and under the direction of said Bank, shall proceed to settle up the affairs of such branch, and convert its assets into money; the money so made shall be applied: Receivers give bond.

First: To reimburse all moneys which shall have been advanced by the several branches, for the redemption of the notes and bills of the insolvent branch, and which may not have been previously reimbursed from the Safety Fund. Reimburse all moneys from branches.

Second: To reimburse all moneys advanced from the Safety Fund, other than moneys derived from that portion of the Safety Fund furnished by the failing branch. Reimburse the Safety Fund

Third: To the payment and discharge of all the remaining liabilities of such branch: And Pay the liability of insolvent,

Fourth: The residue shall be divided among the stockholders of the failing branch, in proportion to the stock by them respectively held. Stockholders take what is left

SEC. 14. If any branch against which the State Bank of Iowa shall have instituted proceedings on account of any supposed act of insolvency as prescribed by the eleventh section of this Act, shall deny having committed such act of insolvency, such branch may apply to any court of competent jurisdiction for a writ of injunction to said State Bank of Iowa, to suspend all further proceedings against such branch as an insolvent Bank; and such court, after citing said State Bank of Iowa to appear and show cause why such writ should not be granted, and after the finding of a jury that such branch has at all times continued, and still continues to redeem in gold and silver coin, its notes of circulation, shall make an order enjoining the State Bank of Iowa from all further proceedings against such branch on account of the supposed act of insolvency on which such proceedings were instituted, and thereupon all the property Branch may enjoin the State Bank, Prove redemption in specie, and receive its assets from State B'k.

and assets of such branch shall be restored to its Directors.

SEC. 15. If the State Bank of Iowa shall, in any case, fail to proceed in the manner prescribed in the foregoing sections of this Act, in providing for the payment of the outstanding notes of circulation, and in closing the affairs of any branch that shall have committed an act of insolvency, the holder of any of its notes of circulation, or other creditor of such branch, may, in case payment of such notes of circulation or other claim has been refused when lawfully demanded, and remains unpaid, apply to any court of competent jurisdiction for its writ, commanding the State Bank of Iowa so to proceed; and it shall be the duty of such court, after citing such Bank to appear and show cause why such writ should not issue, and upon the finding of a jury that such act of insolvency has been committed, to issue their writ commanding said Bank forthwith to proceed in the manner pointed out in the preceding sections of this Act, to provide for the payment of the outstanding notes of such branch, close up its affairs, and make application of its assets.

If State B'k fails to proceed against insolvent any holder of notes may apply to a court for a writ to compel it.

A branch refusing to reduce circulation, increase specie, pay in stock, or obey the State B'k, may be enjoined by any district or higher court, on petition of B'k or any dist. thereof.

SEC. 16. That if any branch shall neglect or refuse to comply with any order of the State Bank of Iowa requiring such branch to reduce its circulation or other liabilities, or provide a larger amount of specie or other means, or to pay in its stock, or to do, or to cause to be done any other matter or thing which said Bank may deem necessary for the security of such branch, or any other branch or branches, said Bank or any Director thereof, acting for said Bank, may apply to any Judge of the Supreme Court or District Court, or any Judge of a superior Court, or to any Judge of any other Court not inferior to the District Court, by petition, in which the State Bank of Iowa shall be made petitioner, and the branch implicated defendant, setting forth the substance of such order, or orders, and such neglect or refusal on the part of the branch, its officers or agents, to comply therewith; and if the President, Vice-President or any Director of the Bank, shall make affidavit of the truth of the facts therein stated, it shall be the duty of

such Judge to allow an injunction, and to enjoin such branch, its officers and agents, and all others in its employ, or connected therewith, from doing, or suffering, or permitting to be done, any business whatever as a bank, and from intermeddling with, or in any manner disposing of, the books, papers, moneys, choses in action, assets, or property of the branch, until the further order of the Supreme Court as soon as an injunction is allowed.

SEC. 17. Upon the allowance of such injunction, the property, credits, securities, liens and assets of every description, of such branch, shall forthwith vest in the State Bank of Iowa, who shall appoint a receiver to take possession of the same as provided in the eleventh section of this Act. A certificate of appointment of such receiver, by the Judge, or Court, or clerk thereof, making the same, shall be sufficient authority to him to take possession of the books, property and rights of every description of such branch, and shall be full authority to the Sheriff of the county where the branch is located, to take and give full possession of such books, property, and rights, with the aid of the county, if required; and said Bank receiver shall be governed by the provisions of this Act as provided in cases of suspension; and upon the dissolution of such injunction, or a discontinuance of such suit by the Bank, all the rights and property of such branch shall be restored to and vest in such branch.

Injunction allowed, receiver takes possession of property of branch.

SEC. 18. Natural persons, not less in number than five, may associate and form branches of the State Bank of Iowa, for the purpose of carrying on the business of banking, each at such place in this State as shall be designated in the certificate hereinafter required to be made, subject to the contingencies, restrictions, conditions and liabilities prescribed in this Act.

Sheriff gives him full possession and he proceeds according to this law.

SEC. 19. Persons associating to form a branch shall, under their hands and seals, make a certificate, which shall specify.

Not less than five persons may form a branch.

First: The name assumed by such branch, and by which it shall be known in its dealings, in which name shall be included the name of the city, village or town in which its banking operations shall be carried on.

Certificate of name of branch.

Second : The amount of the capital stock of such branch and the number of shares into which the same is divided.

Third : The name and place of residence and the number of shares held by each member of the Company.

Fourth : The time when such company shall have been formed.

Which certificate shall be acknowledged before a Justice of the Peace or Notary Public, and shall be recorded by the Recorder of the county where such branch is to be established, in a book to be kept by him for that purpose, which shall at all times during office hours be kept open for the inspection of any person wishing to examine the same; one copy of which certificate, duly certified, shall be transmitted to the Secretary of State, who shall record and carefully preserve the same in his office, and another to the Bank Commissioners in this act named, until the organization of the State Bank of Iowa and thereafter to said Bank.

SEC. 20. The officers of each branch shall at the end of every month, cause to be prepared a statement of the number, names and place of residence of each stockholder in such branch, also the amount of stock owned by each, and the date of the transfers of any stock with the names of the transferer and transferee, one copy of which statement shall be posted up in some conspicuous place in the Bank, and one copy shall be caused by the Bank to be filed in the office of the Recorder of deeds in the county wherein such branch is located, which last mentioned copy or a certified copy of the same under the hand of the Recorder shall be prima facie evidence in any court of justice in this State in a suit between the branch or State Bank of Iowa and any third person.

SEC. 21. No branch shall be permitted to commence or carry on the business of banking under this act, unless its capital stock shall be at least \$50,000, nor shall the capital stock of any such branch ever be increased to exceed \$300,000.

At least fifty per cent of the capital stock of each branch shall be paid in gold and silver coin, and shall be in the

ual possession and bona fide the property of the branch at the time of the commencement of its banking business, and the remainder of the capital stock of such branch shall be paid in gold and silver as aforesaid in installments, each of at least ten per cent on the whole amount of capital subscribed, as frequently as once in every four successive months, from the time of commencing business until the whole amount of such capital shall be paid up. *Provided*, That the Directors may postpone the payments of the deferred installments, or any part thereof, to the branches when satisfied that the public interest does not require them to be paid as frequently as above provided for.

50 per cent in specie paid in at commenc'mt.

Remainder paid in.

SEC. 22. If any shareholder or his assignee shall fail to pay any installment on his stock when the same shall be required to be paid, the branch may sell said stock at public auction having given three weeks previous notice thereof in a newspaper published in the county where the branch is located, (and having mailed a written notice to such delinquent shareholder or his assignee) to any person who will pay the highest price therefor, not less than the amount unpaid thereon; and the excess, if any, after paying the expenses of the sale, shall be refunded to the delinquent stockholder.

Any stockholder's failing to pay his installments, his stock sold after notice is given.

If no bidder can be found who will pay for such stock, the amount unpaid thereon to the branch, and costs of advertisement and sale, the amount previously paid shall be forfeited to the branch, and such stock may be subsequently sold in such manner as the branch may order.

If stock cannot be sold it is forfeited to branch

The capital stock of each branch shall be divided into shares of one hundred dollars each, and a stock book shall be kept by each Branch Bank, showing who are the stockholders, and what amount is held by each individual or company, which stock shall be assignable only on the books of the branch in such manner as its by-laws shall prescribe, but no shareholder shall have power to sell or transfer any shares held in his own right for the purpose of escaping liability when a Bank is involved, or so long as he shall be liable either as principal, debtor, surety, or otherwise, to the branch for any

Record of shares kept in stock book.

Stock transferable except when bank is involv'd or holder indebted to Bk.

debt, nor shall such shareholder, when liable to the branch for any debt that is overdue, be entitled to receive any dividends, interest or profit on such shares so long as such liability shall continue, but all such dividends, interest or profits shall be retained by the branch and applied to the discharge of such liabilities.

Loans secur'd by
personal prop-
erty only.

SEC. 23. No branch shall take as security for any loan or discount, a lien on any part of its capital stock, or any other than personal security and the same security, both in kind and amount, shall be required of shareholders, as of persons not shareholders; and no branch shall be the holder or purchaser of any portion of its capital stock, or of the capital stock of any other incorporated company, unless such purchase shall be necessary to prevent loss upon a debt previously contracted in good faith, on security which at the time was deemed adequate to insure the payment of such debt, independent of any lien upon such stock; or in case of forfeitures of stock for the non-payment of installments due thereon, as provided in the twenty-second section; and stocks so purchased shall in no case be held by the branch so purchasing for a longer period of time than six months, if the same can be sold for what the stock cost, or at par.

No branch shall
buy its own or
any oth'r stocks,

One vote to each
share.

SEC. 24. In all elections of Directors, and in deciding all questions at meetings of the stockholders, each share shall entitle the owner thereof to one vote; stockholders may vote by proxies duly authorized in writing, but no officer, clerk, teller or book-keeper of the branch shall act as proxy, and no stockholder whose liability to the branch is past due and unpaid shall be allowed to vote.

Proxies allowed,
but no officer
shall act as such

No. of Directors
and qualifica-
tion.

SEC. 25. The affairs of each branch shall be managed by not less than five nor more than nine Directors.— Every Director shall be a citizen of the United States, and shall during his whole term of service reside in this State.

Directors take
oath.

Each Director shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of the branch, and not knowingly violate or willingly permit to be violated any of the pro-

ons of this Act; that he is a bona fide owner in his own right, of the stock standing in his name on the books of the branch, and that the same is not hypothecated, or in any way pledged as security, for any loan obtained or debt owing; which oath, subscribed by himself and certified to by the officer before whom it is taken, shall be filed and carefully preserved in the office of the Recorder of the county in which the branch is located; but no person shall be President or Director of more than one branch at the same time.

Oath filed with
Co. Recorder.

SEC. 26. The stockholders collectively of any branch, shall at no time be liable to such branch, either as principals, debtors or sureties, or both, to an amount exceeding three-fifths part of the capital stock of such branch, then actually paid in, and remaining as capital stock, nor shall the Directors, collectively, be so liable to an amount exceeding one-fifth part of the stock actually paid in, standing in their names, and of which they are, collectively, the bona fide owners in their own right.

Stockholders collectively not to owe over three fifths of amount of paid-in capital.

Directors not more than one fifth.

SEC. 27. The Directors of any branch, first elected, shall hold their places until the first Monday in January next thereafter, and until their successors shall be elected and qualified; all subsequent elections shall be held annually on the first Monday of January, and the Directors so elected shall hold their places for one year, and until their successors are elected and qualified; any Director removing from the State, or ceasing to be owner of the requisite amount of stock, shall thereby vacate his place. Any vacancy in the Board shall be filled by appointment by the remaining Directors; the Director so appointed shall hold his place until the next annual election; and if, from any cause, an election of Directors shall not be made at the time appointed, the branch shall not for that cause be dissolved, but an election may be held on any subsequent day, thirty days notice thereof having been given in a newspaper printed in the county where the branch is located.

Election of Directors and terms of office.

Vacancies.

How filled.

SEC. 28. Every branch authorized to carry on the business of banking under this Act, shall be held and adjudged to be a body corporate, with succession, from

Each branch a corporate body till 1878.

Powers-

the date of its certificate of association until the first day of July, A. D. 1878, and thereafter until its affairs can be closed; and by its corporate name shall be competent to contract, prosecute and defend actions of every description, as fully as natural persons; and process against such branch may be served upon its President or Cashier, or by leaving a copy thereof at its usual place of business, during the usual business hours.

May transact
general bank'g
business.

Each of said branches shall, during the term aforesaid, if so long it shall comply with the provisions of this Act, have power to issue notes for circulation furnished it by the State Bank of Iowa, to loan money, buy, sell and discount bills of exchange, notes, and all other written evidences of debt, except such as it shall be prohibited by this Act, from buying, selling and discounting; but no such loan shall be made on any note, bill of exchange or other evidence of debt having more than four months to run before maturity; shall have power to receive deposits; buy and sell gold and silver coin and bullion; collect and pay over money, and transact all other business properly appertaining to banking, subject, however, to the provisions and restrictions of this Act; may acquire, hold and convey such real estate as may be necessary for the convenient transaction of its business, and no more; but may, however, acquire title to any real estate pledged to secure any debt previously contracted, or purchased on an execution or order of sale, to satisfy any judgment or decree in its favor, or which shall have been conveyed to it in payment of any previous debt, but shall not hold any real estate so acquired longer than in the judgment of the Board of Directors, is necessary to save the said branch holding such real estate from loss, and it is hereby made the duty of the Board of Directors of each branch to offer any real estate so acquired for sale at least once in each year, first giving thirty days notice in some newspaper published in the county where such real estate is situated, of the time and place of such sale, if any newspaper be published in such county, and if not, then in some newspaper published the nearest thereto; and at such sale, if the amount

Hold real estate.

bid for such real estate be sufficient to reimburse the said branch in the amount for which such real estate was taken by the branch, with interest and costs, then it shall be the duty of the Board of Directors of such branch to sell and convey such real estate, but not otherwise, unless in their judgment it be deemed necessary for the interest of the said branch to do so.

SEC. 29. No branch shall at any time issue or have in circulation any note, draft, bill of exchange, acceptance, certificate of deposit, or other evidence of debt, which, from its character or appearance, shall be calculated or intended to circulate as money, other than such notes of circulation as are by this act described, and which such Bank is by this act authorized to issue for the purpose of being circulated as money.

Branch shall not circulate any other notes than their own.

SEC. 30. Each branch shall receive at par at the office or banking house of such branch, in payment of debts due at such branches, for notes of hand, bills of exchange, or other evidence of debt, discounted or purchased by, or belonging to such branch, the notes of circulation issued by any other branch of the State Bank of Iowa.

The branches must take each other's notes at par.

SEC. 31. Each branch shall at all times have on hand in gold and silver coin in its vault, an amount equal to at least twenty-five per cent. of the amount of its outstanding notes of circulation; and whenever the amount of its outstanding notes of circulation shall exceed the above named proportion, no more of its notes shall be paid out, or otherwise put in circulation by such branch, nor shall such branch increase its liabilities by making any new loans or discounts, other than discounting or purchasing bills of exchange, payable at sight, nor make any dividend of its profits, until the required portion between its outstanding notes of circulation and gold and silver coin on hand shall be restored.

Branch have 25 per cent specie on hand.

Shall not issue notes with a less amount in safe.

SEC. 32. Each branch of the State Bank shall be required to keep in its vaults over and above the amount required to be kept for the protection and redemption of its circulation, as required in the last preceding section, at least twenty-five per cent. of its current deposits,

Branch keep 25 per cent of deposits on hand.

No interest on deposits. and shall be prohibited from paying interest on current deposits.

Branch must not be in debt over two-thirds of its capital stock.

SEC. 33. No branch authorized under this act shall at any time be indebted or in any way liable to an amount exceeding two-thirds of its capital stock at such time actually paid in, and remaining as capital stock undiminished by losses or otherwise, except on the following accounts—that is to say:

1st. On account of its notes of circulation.

2nd. On account of moneys deposited with or collected by such branch.

3rd. On account of bills of exchange or drafts drawn against money actually on deposit to the credit of, or due to such branch.

4th. Liabilities to its stockholders on account of money paid in on capital stock, dividends thereon, and undivided profits.

Notes not to be exchanged for capital stock.

Nor shall any branch, either directly or indirectly, pledge, hypothecate, or exchange any of its notes of circulation for the purpose of procuring money, to be paid in on its capital stock, nor pledge or hypothecate directly or indirectly, any of such notes to be used in its ordinary banking operation.

Capital stock not withdrawn.

SEC. 34. No branch shall, during the time it shall continue its operations as a branch, withdraw or permit to be withdrawn, either in form of dividends or loans to stockholders, for a longer period of time than four months, or in any other manner, any portion of its capital stock; and if losses shall at any time have been sustained by any branch, equal to, or exceeding its undivided profits then on hand, no dividends shall be made, and no dividends shall ever be made by any branch while it shall continue its banking operations to an amount greater than its nett profits then on hand, deducting therefrom its losses and bad and suspended debts; and all debts due and unpaid for a period of six months, unless the same shall be well secured, and shall be in the process of collection, shall be considered bad or suspended debts, within the meaning of this section.

Dividends declared only on nett profits.

SEC. 35. The Directors of each branch shall semi-

annually on the first Monday in May and November, declare a dividend of so much of the nett profits of the branch as they shall judge expedient and as shall be approved by the State Bank; and on each dividend day the Cashier shall make a full, clear and accurate statement of the condition of the branch as it shall be on that day, after declaring the dividend, which shall be verified by the oath of the Cashier, President, and two of the Directors; and similar statements verified in like manner, shall also be made on the first Monday in each month in each year, which statement shall contain:

1st. The amount of the capital stock actually paid in, and then remaining as the capital stock of the branch. Semi-annual dividends.
Cashier's bank statement showing—
The capital stock,

2d. The amount of the bills or notes of the branch then in circulation, specifying the amount of each denomination. Bills in circulation,

3d. The greatest amount in circulation at any time since the making of the last previous statement, as shall have been exhibited by the weekly statements of the Cashier, specifying the time when the same occurred. Greatest circulation at one time,

4th. The amount of debts of every kind due to the branches of the State Bank of Iowa, the amount due to other Banks of the State, and the amount due to Banks not of this State. The debts,

5th. The amount due to depositors. The deposits,

6th. The total amounts of debts and liabilities of every description, and the greatest amount since the making of the last previous statement, specifying the time when the same occurred, as exhibited by the weekly statement of the branch. The debts of all kinds,

7th. The total amount of dividends declared on the day of making the statement. The dividends,

8th. The amount of gold and silver coin and bullion belonging to such branch and in its possession at the time of making the statement, designating the amount of each. The gold and silver,

9th. The amount subject to be drawn at sight, then remaining on deposit with solvent Banks, or Bankers of the country, specifying each city or town, and the amount deposited in each. The exchange,

10th. The amount then on hand, of bills or notes issued by branches of the State Bank of Iowa, the amount
The currency, issued by other Banks of this State, and the amount issued by Banks not of this State.

11th. The amount of balances due from branches of the State Bank of Iowa, the amount due from other
The balances in banks, Banks of this State, and the amount due from the Banks not of this State, excluding in the latter case, deposits in the cities of New York, Philadelphia, Boston, Baltimore, and other cities and towns, subject to sight drafts.

12th. The amount on hand of bills, bonds, notes, and other evidences of debt, discounted or purchased by
The bills receivable, the branch, specifying particularly the amount of suspended debts, the amount considered good, the amount considered doubtful, and the amount in suit or judgment.

13th. The value of real and personal property held for the convenience of the branch, specifying the amount of each.
The b'king house and fixtures,

14th. The amount of real estate taken in payment of debts due the branch.
The real estate,

15th. The amount of undivided profits of the branch.
The undiv'd profits,

16th. The total amount of the liabilities to the branch by the Directors thereof, collectively, specifying the gross amount of such liabilities as principal debtors, and the gross amount as endorsers or sureties.
The liabilities of Directors,

17th. The total amount of liabilities to the branch of the stockholders thereof, collectively specifying the gross amount of such liabilities as principal debtors, and the gross amount as endorsers or sureties; which statement shall be forthwith transmitted to the State Bank of Iowa, and the Auditor of State.
The liabilities of stockholders,

An abstract of every statement, showing the condition of the branch, shall be immediately published by the branch in some newspaper printed in the county where such branch is situated, a copy of which statement shall be sent to each branch of the State Bank of Iowa.
Statement published.

SEC. 36. The General Assembly shall never impose any greater tax upon property employed in banking un-

der this act, than is or may be imposed upon the prop- Tax on B'k stock
erty of individuals.

SEC. 37. Each branch may take, receive, or charge
on any loan or discount made, or upon any note or bill
of exchange, or other evidence of debt, discounted or Interest and dis-
count at 10 per
cent till 1863.
purchased by them, interest at the rate of ten per cent-
um per annum on the amount of any such note, bill of
exchange, or other evidence of debt so discounted or
purchased and no more, until the first day of January,
1863, after which time no more than eight per cent shall
be so taken, received or charged. *Provided*, however,
that interest may be reserved or taken in advance at the B'k discount a l-
lowed.
time of making the loan or discount, according to the
usual rates of banking, or as calculated in Rowlet's ta-
bles; and the knowingly taking, reserving or charging
on any debt or demand discounted or purchased by any Usury forfeits the
whole debt.
branch, a rate of interest greater than that allowed by
this section, shall be held and adjudged a forfeiture of
such debt or demand, but the purchase of a bona fide
bill of exchange or note payable at another place than
the place of such purchase or discount, and the taking
or reserving interest thereon at the rate aforesaid, from
the time of such purchase or discount until the maturity Purchase of ex-
change not usu-
rious.
of such bill or note, shall not be held usurious, although
exchange on the place where it is made payable is at
the time of such purchase or discount, worth a premi-
um; nor shall the discount or purchase of a bona fide
bill or note, payable at a place, between which and the
place of discount or purchase, there may be a difference
in exchange, and the taking in addition to the rate of
interest aforesaid the rate of exchange between such
places, be deemed usurious: *Provided*, that no loan
to, or discount in favor of any Director or stockholder Loan to Director
&c., not forfeit-
ed.
in which more than such interest as is allowed in this
section shall be taken, reserved, or charged, shall be
forfeited, but the same shall be valid against such party:
Provided, further, that in no case shall more than the Rate of exchange
current rate of exchange between such places, be taken.

SEC. 38. The total liabilities of any person, or of any
company or firm (including in the liabilities of a compa-

ny or firm, the liabilities of the several members thereof,) to any branch as acceptor or acceptors of bona fide bills of exchange payable out of this State, shall at no time exceed one-fourth of the amount of the notes which such branch is authorized to circulate, exclusive of liabilities as acceptor or acceptors, one-tenth, and exclusive of all liabilities on such bills of exchange one-twentieth part of the amount of such notes.

No one person or firm can be indebted more than one-fourth of the circulation.

No branch shall at any time pay out on loans or discounts, or in purchasing drafts or bills of exchange, or in payment of depositors, nor shall it in any mode put in circulation the notes of any Bank or Banking Company which notes shall not at that time be receivable at par in payment of debts by the branches so paying out or circulating such notes, nor shall it knowingly pay out or put in circulation any notes issued by any Bank or Banking Company which at the time of such paying out or putting in circulation is not redeeming its notes in gold and silver.

No branch shall put doubtful notes into circulation.

All notes, bills, and other evidences of debt, excepting bills of exchange, discounted by any branch, shall be made by the terms thereof, or by special endorsement, payable solely to such branch, and no such evidence of debt shall be assignable except for collection, or for the following purposes :

Bills receivable, made payable to branch only.

When assignable 1st. To pay and redeem the circulating notes of such branch.

2nd. To pay other liabilities of such branch, and after such liabilities shall have been discharged ;

3rd. To divide among the stockholders on their stock.

No evasion of the usury law.

No branch shall be permitted, in receiving payment at its banking house, or other places, than where the same was payable, of any note, bill, or other evidence of debt, due to such branch, and payable at a place other than its banking house, to receive in addition to the amount of such debt and the legal interest due thereon, any sum whatsoever as premium, exchange or damages. *Provided*, That nothing in this section contained, shall prevent such branch from receiving damages allowed

Legal costs allowed

by law upon any bona fide bill of exchange, duly protested for non-acceptance or non-payment.

SEC. 39. All transfers of notes, bonds, bills of exchange, and other evidence of debt owing to any branch, or of deposits to its credit; all assignments of mortgages or other securities on real estate, or of judgments or decrees in its favor; all deposits of money, bullion, or other valuable thing for its use, or for the use of any of its stockholders or creditors; all payments of money made after the commission of an act of insolvency, or in contemplation thereof, with a view to prevent the application of its assets in the manner provided by this act, or with a view to the preference of one creditor to another, except in payment of its circulating notes, shall be held utterly null and void.

All transactions for preferred creditors, or for disposing of assets, declared null and void.

SEC. 40. If the Directors of any branch shall knowingly violate, or knowingly permit any of the officers, agents or servants of such branch to violate any of the provisions of this act, all the rights, privileges and franchises of such branch shall thereby be forfeited; such violation shall, however, be determined and adjudged by a Court of competent jurisdiction, agreeably to the laws of this State and the practice of such Court, before the corporation shall be declared dissolved, and in case of such violation, every Director who participated in, or assented to the same, shall be held liable in his personal and individual capacity for all damages which the branch, its stockholders, or any other persons, body politic or corporate shall have sustained in consequence of such violation.

Any violation of this act punished with forfeiture of privileges

Directors individually responsible.

SEC. 41. Every President, Director, Cashier, Teller, Clerk or Agent of any branch, who shall embezzle, abstract, or wilfully misapply any of the moneys, funds, or credits of such branch, or shall without authority from the Directors, issue or put in circulation any of the notes of such branch, or shall without such authority, issue or put forth any certificate of deposit, draw any order or bill of exchange, make any acceptance, sign any note, bond, draft, bill of exchange, mortgage, or other instrument of writing, or shall make any false entry on

Dishonesty of bank officers punished.

ed the installments or purchase money of any stock in the name of any person under twenty-one years of age, and while such person remained a minor to the extent of such advance and also to every guardian or other trustee, who shall voluntarily invest any trust funds in such stock, and no trust funds in the hands of such guardian or trustee shall be in any way liable under the provisions of this act, by reason of any such investment, nor shall the person for whose benefit any such investment may be made, be responsible in respect to such stock until thirty days after the time when such persons respectively become competent and able to control and dispose of the same; but the guardian or other trustee making such investment as aforesaid, shall continue responsible as a stockholder, until such responsibility devolves upon the person beneficially interested therein, and in respect to stock held by a guardian or other trustee under a transfer of the same by a third person, or under positive directions by a third person for such investment, the person making such transfer or giving such directions, and his executors and administrators shall, for the purpose of this act be deemed a stockholder, and the estate of such person, if he be deceased, shall be responsible for the debts and liabilities chargeable on such stock according to the provisions of this act.

By proxy.

Guardians stockholders.

Trustees stockholders.

Responsibility of Guardians.

SEC. 44. The General Assembly may alter or repeal this act at pleasure, in the manner provided in the Constitution of this State, but no act altering or repealing this act, shall impose any injustice or wrong upon the stockholders of any branch.

The Legislature may alter and repeal.

SEC. 45. Every branch shall have power to make all necessary and proper by-laws for the management and control of its business, and to fix and regulate the rate of charges for making collections, subject to be controlled therein by the State Bank of Iowa.

By-Laws of branches.

SEC. 46. No branch shall issue any notes intended for circulation as money, except the notes furnished for that purpose by the State Bank of Iowa, and all such notes shall be payable at the branch by which they are issued, in gold and silver coin, the lawful currency of

Notes issued redeemable in specie.

Signed and countersigned.

Certificates made payable to order.

the United States, as provided for in section ten of this act, on demand; they shall be signed by the President or Vice President of the proper branch, and countersigned by the Cashier thereof, made payable to bearer, and shall be negotiable by delivery; all other evidences of debt, issued by any branch, shall be negotiable or transferable in the same manner as if issued by a natural person, and shall be binding on the branch, whether under seal or not; and all such evidences of debt, other than notes of circulation, shall be payable to the order of some person therein named.

Special circulation of foreign bills prohibited.

SEC. 47. No branch shall put in circulation in this State, the bills or notes of any Bank or Banking Company out of the State, except such as are received in the usual course of business; nor shall any branch either directly or indirectly exchange its bills or notes intended to circulate as money with any bank or banking company out of the State, or with the agents of such bank, for the bills or notes of such bank or banking company, with a view to circulate the same in this State.

Persons forming a Bk shall give notice.

Stock Books opened.

Subscription of stock regulated.

SEC. 48. When any number of persons shall have associated together for the formation of a branch as provided for in section nineteen, they shall give twenty days public notice in some newspaper published in the town or city where it is proposed to establish such branch, of their purpose to open a book for the subscription of the Capital Stock of said branch, specifying the time and place thereof; such book shall be kept open for two successive days, between the hours of ten A. M. and two P. M. of each day, under the control and direction of such association, and shall be accessible to every person desiring to subscribe to stock of the proposed branch. On the first day no person, company or business firm, composed of one or more individuals shall be permitted to subscribe to more than ten shares, and on the second day to no more than fifty shares, unless at the time for closing the book on that day the aggregate amount of stock subscribed shall not exceed the amount of capital authorized in section twenty-one.

SEC. 49. The number of branches of the State Bank of Iowa shall not exceed thirty. The Board of Directors of the State Bank of Iowa may increase the capital stock of any branch whose capital does not equal three hundred thousand dollars, by authorizing such branch to receive at any time such additional subscription to its capital stock as will increase the same to any amount less than three hundred thousand dollars, if said board of directors shall be satisfied that such additional amount of capital is demanded by the public interest, and can be safely and profitably employed; but the aggregate capital of all the branches shall not exceed six millions of dollars. No branch shall be established in any town with a less population than five hundred, nor shall two branches be established in the same town or city.

No. of branches.

Stock of each branch.

Aggregate capital.

SEC. 50. The branches shall continue to exist so long as necessary for the settlement of their affairs, notwithstanding the repeal of this act; and no law shall ever be passed diverting or appropriating the assets of any such branch to any person other than to the payment of its debts and liabilities, and the distribution of the residue among its stockholders, in proportion to the stock by them severally owned.

The branches continued to wind up.

Appropriation of assets.

SEC. 51. To carry into effect the provisions of this act, C. H. Booth, of Dubuque County, E. H. Harrison, of Lee county, Ezekiel Clark, Johnson county, J. W. Duton, of Muscatine county, Wm. J. Gatling, of Polk county, C. W. Slagle, of Jefferson county, Elishu Baker, of Linn county, William S. Dart, of Mahaska county, L. W. Babbitt, of Pottawattamie county, and Edward T. Edgington, of Lucas Co., shall be and they are hereby appointed commissioners, and they, or a majority of them, after taking an oath diligently, faithfully and impartially to perform the duties assigned them by this act, a certificate of which oath shall be filed and carefully preserved in the office of the Secretary of State, shall constitute a board, to be designated the Board of Bank Commissioners, which board shall continue until the organization of the State Bank of Iowa, as herein

Bank Commissioners.

Qualification.

Vacancies filled.

- provided for, and thereafter the duties which they are required to perform by this act shall be performed by the said bank; and if any of said commissioners shall refuse to serve, shall die or resign, his place shall be filled by appointment by the Governor. Hoyt Sherman, of Polk county, Benjamin Lake, of Clinton county, and Elias H. Williams, of Clayton county, are hereby appointed directors of the State Bank of Iowa, on the part of the State, who shall have the same powers as the directors on the part of the bank, and who shall be paid by the State, and shall receive three dollars per day for the time actually engaged in their duties, and mileage the same as members of the General Assembly. The term of service of said directors shall be for two years and until their successors are elected and qualified. It shall be the duty of the General Assembly to elect three directors of the State Bank of Iowa at each regular biennial session. No person shall be eligible to the office of State director who holds any office or appointment under any of the branches or owns any stock in the same, and the acceptance of any office of trust or profit from any branch, or the acceptance of any stock in any branch by a State Director during his term of service shall be deemed a resignation, and the Governor shall fill by appointment the vacancy.
- Said commissioners shall meet at Iowa City, at such time, within thirty days after the adoption of this act, as shall be appointed by the Governor, who shall notify each member of his appointment, and of the time and place of meeting. They shall, when met, appoint one of their number to be their President, who shall, under the order of the board, sign all official documents; and they shall cause a fair and true record of all their official proceedings to be kept in a book to be provided for that purpose, which shall be delivered by the president of said board to the State Bank of Iowa, as soon as the same shall be organized.
- SEC. 52. The board of Bank Commissioners shall examine their certificates of the formation of branches transmitted to them, as required by this act, and shall,
- Bank Directors.**
- Compensation.**
- Terms of office.**
- Successors elected.**
- Eligibility.**
- Com's meet.**
- Choose Pres't.**
- Minutes of proceedings.**
- Com's examine certificates of branches.**

SEC. 54. The Governor, if he be satisfied that the law has in all respects been complied with, shall issue his proclamation, setting forth that such branches are authorized to commence and carry on banking, at the places severally designated in their certificates of association; which proclamation shall be recorded in the office of the Governor, and a copy of said record certified under the great seal of the State of Iowa, shall be prima facie evidence of the organization of such bank.

SEC. 55. The bank commissioners, and all agents appointed by them, shall each be entitled to receive for their services under this act, five dollars per day for every day necessarily employed in the discharge of their duties, and the same mileage as is received by the members of the General Assembly, to be paid by the State Bank of Iowa.

SEC. 56. This act shall take effect and be in force from and after its approval by a majority of all the electors of this State voting for and against it, at an election provided by law, and not otherwise.

Approved March 20th, 1858.

CHAPTER 88.

CHARTER OF DAVENPORT.

AN ACT to amend an Act entitled an Act to Incorporate the City of Davenport, and to amend the several Acts amendatory thereto.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* That so much of said Act and the several amendments thereto, as provides for a City Council consisting of a Mayor and Aldermen, requiring that the Board of Aldermen shall consist of two Aldermen from each Ward, is hereby repealed, and the terms of said several Aldermen are hereby terminated. The said City Council shall hereafter consist of a Mayor, a Board of Councilmen, and a Board of Aldermen. The Board of Aldermen to consist of twelve (12) members, chosen from

STATUTORY PROVISIONS IOWA GUARANTY PLAN OF BANK
OBLIGATIONS
(All references to Act of March 20, 1858)

A Bank Obligations covered

Period: 1858-66

Obligations covered: Circulating notes (Sec. 7)

B Assessments and Contributions in Bank Obligation Insurance Plan

Initial contribution: 12 1/2 percent of amount of circulating notes, in money, United States stocks or interest-paying State stocks at their current value in New York city (not above par value). (Sec. 7)

Annual assessment:

Special assessment: Proportionate share, based on authorized circulation, a/ of sum necessary to redeem the notes of a failing branch. (Sec. 12)

C Statutory Limitations on Operations of Insured Banks

I Responsibility of Directors and Stockholders

Directors:

Stockholders: Double liability. (Sec. 42)

II Limitations on Loans and Investments

To officers and employees:

To directors: Collectively one-fifth of stock paid-in and owned by directors. (Sec 26)

To stockholders: Collectively three-fifths of capital stock paid-in and remaining. (Sec. 26)

Maximum to single borrowers: One-twentieth of authorized circulation. b/ (Sec 38)

Maximum length of loans: No loan or any note, bill of exchange or other evidence of debt having more than four months to run before maturity. (Sec. 28)

a/ Branches were to be remunerated for such contribution from the safety fund as soon as money could be obtained by the sale or hypothecation of the stocks or other securities therein. (Sec. 12)

b/ Inclusive of liabilities as acceptor on bills of exchange, one-fourth of authorized circulation. (Sec. 38)

C Statutory Limitations on Operations of Insured Banks

III Limitations on Ownership of Property

Banking house

and fixtures: Such as may be necessary to convenient transaction of its business. (Sec. 28)

Time limit on
real estate acquired

by collection of debt: No longer than necessary in judgment of directors to avoid loss. Must be offered for sale at least once each year. (Sec. 28)

Ownership of
other real estate:

Forbidden. (Sec. 28)

Ownership of
corporate stock:

Forbidden, except to prevent loss on debt previously contracted. (Sec. 23)

IV Limitations on Circulation, Deposits and Borrowings

Maximum circulation: Specified ratios to capital stock: first \$100,000, twice; second \$100,000, 1 3/4; third \$100,000, 1 1/2. (Sec. 9)

Maximum deposits:

Rate of interest
on deposits:

Interest on current deposits prohibited. (Sec. 32)

Maximum borrowings:

Two-thirds of capital stock actually paid-in. (Sec. 33)

V Required Reserves

Total amount:

Twenty-five percent of outstanding notes of circulation. (Sec. 31)

Proportion of
reserve required
to be actual cash:

All in gold and silver coin in vault. (Sec. 31)

Character of balance:

VI Limitations on Payment of Dividends

Percentage of earnings to be carried
to surplus prior to dividends:

If losses exceed undivided profits
or in excess of net profits: Forbidden. (Sec. 34)

If reserve is impaired: Not to be paid if reserve falls below 25% of circulation. (Sec. 31)

If capital is impaired:

D Character and Powers of Supervisory Authorities Over Insured Banks

I Character of Supervisory Agency

Name of board: Directors of the State Bank of Iowa. (Sec. 5)

Composition and
method of appointment: One director appointed by each branch; three by
general assembly. (Sec. 51 and 53)

II Opening of New Banks

Authority approving
opening of new banks: Board of directors of State Bank of Iowa. ^{a/} (Sec. 12)

Conditions to be taken into consideration
in approval of charters or issue of
certificates to begin business:

III Examinations and Reports

Number of required examinations each year:

Additional examinations
by supervisor: Whenever and as often as they think proper. (Sec. 3)

Minimum number of condition
reports each year: Monthly. (Sec. 3)

IV Character of Assets and Management

Circulation and
liabilities: May require any branch to reduce its circulation or other
liabilities within limits deemed necessary to secure from loss
either dealers with such branch, or other branches. (Sec. 3)

Other powers: May give orders to any branch to do anything which may be deemed
necessary for the security of said branch, or any other branch.
(Sec. 3)

V Closing and Liquidation of Banks

Power to close for
violation of law: If any order of the State bank not complied with, may apply
to court for injunction to close branch. (Sec. 16)

Power to close for
unsatisfactory condition: If branch fails to pay notes in gold or silver coin. / (Sec. 11)

Definition of
insolvency: If payment of notes refused in gold or silver coin (silver only
within lawful limits. (Sec. 10)

Powers of
liquidation: Upon act of insolvency or granting of injunction title to all
property, etc. of branch is vested in Bd. of directors of State
Bank, which appoints receiver. (Sec. 11)

a/ Approval of original branches, not less than five in number, by a Board of
Commissioners. (Sec. 2).

Abstracts
Meetings

December 17, 1954

MEMORANDUM

TO: Files

FROM: Mr. Golembe

SUBJECT: Abstracts from Records of the Commissioners and
Record of the Board of Directors, State Bank of Iowa;
manuscript volume, State Historical Society of Iowa.

Meetings beginning July 28, 1858.

Relates to organization of board of Bank Commissioners and receipt of applications for Branch Banks. The function of the Commissioners was to organize the State Bank system by investigating charter applications and accepting or rejecting individual applications as the information secured warranted. After organization of the system applications for admission, as well as other administrative duties, became the responsibility of the Board of Directors and the board of Bank Commissioners ceased to function.

Meetings beginning September 15, 1858.

Various applications for charters were accepted by the Commissioners and agents were appointed to examine same and report on the advisability of permitting formation of the banks concerned.

Meetings beginning October 6, 1858.

A number of reports on charter applications were received. The following was typical:

The Board came to order and the President announced as the first business in order, to be the reports of the agents sent to examine the organizations for Branches. Under the rule previously established the papers and application of Thadeus P. Sears and others for a Branch at Comanche Iowa were received, also the application and accompanying papers of Loudon Mullen and others for a Branch at Pacific City Iowa, also the certificate of Langowrthy and others from "The City of Dubuque Branch of the State Bank of Iowa" all of which on motion were laid over until Thursday the 7th Inst afternoon Session -

The report of C. W. Slagle and C. H. Booth was then read and accepted: which report is in the words following

"The undersigned who were appointed agents to examine the condition of the "Branch of the State Bank of Iowa at Muscatine" respectfully report That they made said examination on the fifth day of October 1858. They found in the hands of the officers of said Bank the sum of Twenty five Thousand Dollars

[14]

Minutes of Oct. 6 continued
in American Gold. They ascertained that the Stockholders directors, and officers of said organization are men of responsibility and integrity and entitled to the public confidence your agents append and make as part of this report Sworn Statements of the Directors and Cashier of said organization furnished your agents by said officers as required by law" Sept 6th 1858.

C. H. Booth
C. W. Slagle "

The Governor was advised of the applications accepted and the Branch Banks were notified (October 9, 1858):

The undersigned a majority of the board of Bank Commissioners appointed to carry into effect the provisions of an act of the General Assembly of the State of Iowa entitled an "act to incorporate the State Bank of Iowa" in accordance with section fifty three of said act, do after a careful examination of the certificate of association and the reports and statements of the special agents appointed by this board to ascertain whether the branches which transmitted to this board the required certificate had complied with the provisions of the act referred to: hereby certify that the following branches viz The "Muscatine Branch of the State Bank of Iowa" at Muscatine, The Branch of the State Bank of Iowa at Iowa City
The "Branch of the State Bank of Iowa" at Des Moines"
The "Dubuque Branch of the State Bank of Iowa at Dubuque"
The "Oskaloosa Branch of the State Bank of Iowa" at Oskaloosa
The "Mount Pleasant Branch of the State Bank of Iowa at Mount Pleasant
The "Keokuk Branch of the State Bank of Iowa" at Keokuk Lee Co. Iowa, and the "State Bank of Iowa Merchants Branch at Davenport" have been formed and duly organized according to the provisions of said act that their stockholders, direct-

ors and officers respectively are men of responsibility and integrity entitled to public confidence and such branches are lawfully entitled to commence the business of banking under said act.

Ezekiel Clark President
C. H. Booth
E. H. Harrison
J. W. Dutton
W. J. Gatling
Elihu Baker
Wm. S. Dart
Edw T. Edginton

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Minutes of the 9th continued

The following notice was ordered to be forwarded to the branches included in the certificate forwarded the Governor.

"You are hereby notified that the Board of Commissioners for organizing the State Bank of Iowa have certified to the Governor that your Bank has complied with the provisions of the law and is entitled to commence the business of Banking, and you are further notified that we have appointed the 27th day of October A D 1858, for the meeting of the board of Directors of said State Bank of which directors your Branch is to elect one who shall attend said meeting

This is the end of the Records of the Commissioners Meetings beginning October 27, 1858

This was the first meeting of the Board of Directors of the State Bank of Iowa and marks the beginning of Record of the Board of the Board of Directors.

By-laws were adopted on October 29, 1858, as follows:

By Laws of the State Bank of Iowa

The Board of Directors shall have a Seal on which shall be engraved "The State Bank of Iowa", to be kept by the President and used by him and under his direction when necessary.

The officers shall consist of a President, Vice President and Secretary.

The first election of those officers shall be made at the present session of the board of Directors, and the

next regular election of said officers shall be held at the first meeting of the board of Directors in the month of February A D 1860, and annually thereafter at the regular meeting in the month of February.

It shall be the duty of the President to take the charge and general oversight of the office at Iowa City. He shall in person or by an agent make a thorough examination of the affairs of each of the branches as often as he may deem necessary, or whenever he may be desired to do so by any

[23]

three of the board of Directors. He shall also on the first day of each regular session of the board of Directors communicate to said board in writing all such matters in relation to the administration of the State Bank of Iowa, and of the several branches thereof, as in his opinion may be necessary, and also to recommend such measures for the action of the Board of Directors as he may deem useful and proper. He shall also give Bond and security to be approved by the board of Directors with a penalty of One Hundred Thousand Dollars, conditioned, for the honest and faithful discharge of his official duties.

It shall be the duty of the Vice President in case of the absence, death, sickness removal or incapacity of the President to act, to take his place and discharge the duties pertaining to his office, and during such time he shall receive the same compensation as would be allowed the President if he were himself discharging the duties of the office which shall be deducted from the Presidents salary and he shall give bond in the sum of \$25,000 to be approved by the Directors, for the faithful discharge of his duties.

[The following paragraph is inserted on a slip]

Add to art. 4-

And it shall be the duty of the Vice President in person or by agent to make a thorough examination of the Branch represented by the President as Director, as often as he may deem necessary or whenever he is directed to do so by three Directors.

It shall be the duty of the Secretary to keep the Books and accounts of the office at Iowa City, subject to the direction only of the President and the board of Directors, and he shall give bond in the sum of \$100,000 for the faithful performance of his duties, said Bond to be approved by the board of Directors, and the secretary is hereby appointed to Register and countersign the notes issued for circulation and to keep the record of the same

as required by law.

[The following paragraph is inserted on a slip]

Art 5 Amended Feby 17th 1860 Page 133

Read \$50,000 instead of \$100,000

All officers of the board of Directors shall be elected by ballot, and a majority of all the votes cast shall be necessary to constitute a choice, and every vote or ballot so cast shall have written upon it the name of the person voting and also the number of votes to which he is entitled.

[28]

By Laws Continued

No resolution to remove any officer by the board of Directors shall be entertained until all the members of the board have had notice of the intention to move such resolution, and until the officer to be removed has had reasonable notice of such intention.

In case of vacancy in any of the officers of the Bank (except the President) by death sickness resignation or otherwise said vacancy shall be filled by the President until the next meeting of the board -

In case of a ^{CA} vacancy in the office of President the Vice President shall take his place as provided in section 4 of these by Laws and shall continue until the disability of the President is removed and he shall resume the duties of his office, or until said vacancy is filled by the board of Directors.

All the officers Bonds (except that of the President) shall be deposited with the President, and the Bond of the President shall be deposited with the Vice Prest

[The following paragraph is inserted on a slip]

Art 10

Minutes May 1862
Page 215

Amended - Read Vice President instead
of Secretary of State

The regular meeting of the board of Directors shall be on the first Wednesdays after the second Mondays of February May August and November but the President or any four members of the board may call a special meeting.

In all calls for special meetings a notice in writing shall be given by the President, secretary or other persons having authority to call special meetings to each member

The salary of the President shall be \$1,200 per annum and all necessary expenses in visiting and examining the branches, and the salary of the Secretary \$1500 per annum which shall be audited and paid quarterly -

[29]

By Laws continued

There shall be an executive Committee of three (of whom the Vice President shall be one) who shall meet at the office in Iowa City on the first Wednesday after the second Monday in each month except the months of February May August and November. It shall be their duty at their regular meetings in each month carefully to examine the monthly statements made by the several Branches and if upon such examination they deem it necessary so to do, to cause a personal examination to be made by the President or Vice President of the condition of any branch. To call a special meeting of the board of Directors, To examine at each meeting the accounts of the secretary with the several branches. The amount of bills in blank in his possession and generally the condition of the affairs of the State Bank of Iowa as shown by the Books and property in its office in Iowa City, and to perform such other duties as the By Laws may from time to time impose upon them.

That there shall be appointed by the President the following standing committees to consist of three members each unless otherwise specially provided

A Committee on Accounts who shall audit all claims presented to the board and also shall report the proper assessment on the branches.

A Committee on new applications for Branch Banks who shall examine into the regularity of the applications and shall report thereon with such other matters as they may think appropriate.

These By Laws may be altered, amended or abolished by a two-thirds vote at any regular meeting.

[The following paragraph is inserted on a slip]

Hereafter no Branch shall be admitted without the consent of three fourths of the members present.

A resolution apparently dealing with the Safety Fund was adopted:

Mr Price offered the following resolution which was adopted Resolved That the Directors of the State Bank of Iowa request that several Branches to make their own investments and deposite the stock, but if said Branches refuse or neglect to make such investments and the same shall be made by the State Bank that then and in that case the profit or loss on such stocks shall accrue to, or be borne by the Branch.

Meetings beginning December 18, 1858

Resolved That in reference to Section 11 of the Act of the Legislature, your committee submit the following as an amendment to the By Laws To Wit -

The President shall immediately on receiving information notify the executive committee and it shall be their duty to appoint a committee at once to examine into the truth of such information and they shall also call a meeting of the Directors to hear the report of the Committee appointed by them -

Laid upon the Table

Resolved that it is the duty of the president under section 16 of the act of the Legislature to order any Branch to reduce its Circulation, or do any other matter contained in said [45] section when in his opinion the interests of the State Bank require it, and in case of refusal - To proceed in his discretion as directed in said Section 16

Laid upon the Table

Meetings beginning February 16, 1859

Thursday P M 2 Oclock February 17 - 1859

The board.

The Committee on the Presidents reports Reported which was adopted in the following form

The Committee to whom was referred the suggestions and recommendations of the President have had the same under consideration and report

Meetings beginning February 16, 1859

Thursday P M 2 Oclock February 17 - 1859

The board.

The Committee on the Presidents reports Reported which was adopted in the following form The Committee to whom was referred the suggestions and recommendations of the President have had the same under consideration and report

That they recommend the approval by this board of the action of the President in respect to the purchase of Missouri Bonds for the Safety Fund for the Dubuque Branch, and also in borrowing and expending the Eight hundred eight six 55 Dollars as reported by him, the
100

same being in accordance with a previous resolution of this board.

Your committee further report that in their opinion the Law does not require the proclamation of the Governor to authourize the commencement of business by any newly organized Branch, and that such Branch is authourized to commence business as soon as its organization is complete and accepted by this board as a Branch of the State Bank of Iowa.

Meetings beginning March 17, 1859

Primarily dealt with applications for Branch Bank charters.

Meetings beginning May 11, 1859

That (in) the declaration of Dividends as provided for in Section 35 - The Branches be requested to report their condition as provided for in said Section and the rate and amount of dividend proposed which shall not be payable until after approval by this Board -

Which resolution was Adopted

Resolved that no necessity exists at this time for the fixing a per centage for a contingent fund, but such a course may be necessary before a declaration of dividends by branches.

Resolved that the Branches of the State Bank be requested not to pay out any Minnesota bank paper until such bank paper has been placed on a good footing in Chicago or other currency -

Which resolution was Rejected -

[75]

Wednesday evening Session May 11th 1859 Continued

Mr Rand offered the following resolution as a substitute for the last preceding resolution numbered 7

Resolved that this Board has no confidence in the issues of the Banks of Minnesota and recommend to the Branches of this Bank not to receive it in deposit or countenance its circulation -

Adopted

A portion of the president's report read as follows:

Of the Safety Fund paid in Coin and Drafts I have invested as follows -

Bought for account of the Washington Branch	\$3,000
United States 5 per cents at a cost of $\$10\frac{1}{2}$	
and for Lyons City Branch \$1000 Tennessee 6 per cents at $93\frac{3}{8}$	leaving
to be invested for Keokuk Branch	\$1,400
Mount Pleasant Branch	60
Dubuque Branch	277
	<hr/>
	\$1,737

Nearly all the securities held by this Bank as safety fund have advanced in price since purchased by the Branches.

I would advice that you authorize the old Branches who have paid up instalments beyond the 50 per cent on their stock subscribed the same amount of circulation on said instalments as they were entitled to on their original paid up capital and the new Branches a further amount of 50 per cent on their paid up Capital - They of course providing the requisite amount of Safety Fund. This would give all the Branches One and one half the amount of their paid up Capital which I think is as much as they will require until next meeting of the Board.

The Resolution of the Board at last session with regard to notifying the Governor of our State of the formation of new Branches has been complied with by sending him an attested copy of our proceedings.

He acknowledged receipt of the papers but declines to issue his Proclamation - he says not deeming it necessary under the law.

[77]

Wednesday evening Session Continued May 11th 1859

I would recommend that the Board agree upon some form of proceeding of the Branches desiring to make Dividends. The Law is not very explicit on the subject but says the Branches shall make dividends 1st Mondays of May and November to be approved by the State Bank. What will be the proper proceeding? Will the Branches send up statements of their affairs and this Board say how much they shall divide, or will they go forward and make Dividends payable at some future time and subject to be approved by this Board - The latter course seems to me most convenient and consistent with the requirements of the law.

I would also suggest that you require the Branches before making any dividends to set aside a certain amount, say one per cent semi annually of their profits until the amount reaches say ten per cent of their capital as a contingent or sinking fund to meet any unexpected losses or expenses.

It may be preferable instead of making this sum a specific amount semi annually to make it so much per cent on the amount of profits, or on the Dividends declared.

It seems to me, a just regard for our safety requires that we make some provision of the kind and it is well to start in time before any of the Branches shall be prepared to make Dividends.

It appears that the Brokers and private Bankers of our State who are not interested in any of the Branches are making some combined efforts as might be expected to return the circulation of our Branches.

There seems to be a difference of opinion among the different Cashiers as to which is the best policy to meet this either to pay in coin only, or to agree on some rate at which we will furnish Exchange which of course will have to be at about cost rates for expressing Gold - I think some uniform policy, or course of action by the Branches is desirable - It will be necessary to have rates of Exchange vary for the different localities

[78]

Wednesday evening Session May 11th 1859 Continued

I would suggest the propriety of asking the Branches, in

making their monthly statements in February - May - August and November to give a list of their Stockholders and Directors on the last day of the preceding month - It would only be a copy of the notice posted in the Bank and would not be much trouble to make and I think would furnish some information the Board might often desire to have.

I would also call your attention to the fact that strong efforts have been made by parties inside and outside of our state to introduce into circulation here the issues of the new Minnesota Banks and some of the Branches have sanctioned the move by receiving and paying it out as currency

This money may be tolerably well secured at present and some of the Banks as good as many of those in Wisconsin and Illinois which we are compelled to use and perhaps shall be for some time to come.

The Minnesota law as I understand it is defective and their securities can at any time be changed and that is probably the intention of the founders of the Banks.

If we undertake to use only such as we think are good the people will not know how to discriminate between them and those which are unsafe and will give it circulation.

I think it decidedly bad policy for this Bank to encourage the use of this kind of currency in any form and would recommend that you adopt some resolution requesting all the Branches to decline paying it out.

The short time that the Branches have been in operation and the very favourable monthly statements made by them have satisfied me that it is hardly necessary as yet to put this Bank to the expense of visiting and examining the Branches and I have not as yet made any such visits or examinations - shall expect to attend to this duty in part

Wednesday evening Session continued May 11th 1859

before the next regular meeting of the Board

Chester Weed

President

Resolved That in the opinion of this board it is the policy of the several branches of the State Bank of Iowa to hold and protect each others circulating notes, to as

great an extent as possible, in lieu of holding the circulating notes of Foreign Banks and that the cashiers of the several branches be requested to do so

Which resolution was adopted

Meetings beginning August 10, 1859

"To The President of the State Bank of Iowa

The undersigned would respectfully represent That he on the 8th & 9th insts did visit and make a brief examination of the books - records - accounts &c of the Muscatine Branch of the State Bank of Iowa and applying his interpretation of the law to same as he found them, he found some departures of a minor character and not of sufficient importance as he thinks to bring before the State Board. The most prominent of which is the allowing of accounts to be overdrawn beyond what is ordinarily done under similar circumstances by Banks of this character

Yours Respectfully

Wm T Smith Vice Prest ,

Ordered to be placed on file.

The Committee to whom was referred the application of the Farmers Branch at McGregor Reported as follows -

"Your Committee to whom was referred the Application of the Farmers Branch of the State Bank of Iowa at McGregor Report that they proceeded

[88]

Wednesday evening Session Continued

to McGregor on the 6th inst and examined the organization -

There is connected with the organization One hundred and one Stockholders, a Majority of whom are residents of Clayton County.

The usual interrogations with the answers of the Directors are submitted with this report.

We found by actual count the required amount of Coin \$25.000 on hand -

A large country trade centers at that point and we believe a good position to be occupied by a Branch - From all the

information we were able to obtain, we believe the Directors and Stockholders (a list of which accompanies the report) to be men of responsibility and integrity and worthy of public confidence.

All of which is submitted
This report was afterwards
withdrawn and another made

S Rand
Committee,,
Wm F Coolbaugh

On Motion adjourned^A to meet at 8 Oclock tomorrow morning

Elihu Baker
Secty

On Motion leave was granted to the Committee in the case of the Application of the Farmers Branch of the State Bank of Iowa to withdraw the report made by the committee yesterday

The Committee subsequently made an amended report as follows

Your Committee to whom was referred the application of the Farmers Branch of the State Bank of Iowa at McGregor Report that they proceeded on the 6th inst to examine the condition of the organization.

There is connected with the organization One hundred and one Stockholders, a majority of whom are residents of Clayton County.

The usual interogations with the answers of the Directors are submitted with this report.

We found by actual count the required amount of Coin - Twenty five thousand dollars on hand.

A large country trade centers at that point and we believe a good position to be occupied by a Branch.

From all the information we were able to obtain we believe the Directors and Stockholders (a list of which accompanies this report) to be men of responsibility and integrity and worthy of public confidence.

While bearing this testimony however, to the character and responsibility of the parties connected with the organization, we feel compelled in justice, to what we deem the true interests of the Branches now organized, and to be organized under the Law creating the State Bank, to call the attention of the board of control to the large proportion of Stock held by persons not residing adjacent to the location at which the Branch is proposed to be established, and at

Thursday Morning Session continued Aug. 11th 1859

points remote from those presumed to be benefitted by its establishment.

Some \$12.000 of the Stock stands in the names of persons residing at Dubquque where a branch is already in operation, and some 6 or \$7.000 appears to be owned in New Hampshire. So large a proportion of the \$50.000 Stock subscribed in the hands of non-residents seems in the minds of your committee to be a serious objection to the organization as it now stands, and leaves room, in their opinion, to fear that the control of the institution may, by a concert of action amongst a portion of the stockholders, eventually, and perhaps at no remote period, be obtained by those having but little, if any interest in common with the people in the immediate region of country for whose benefit such an institution should always be managed - a result which the committee are sure would be greatly regretted by the board of control.

For these reasons your committee while favourably impressed with the advantages possessed by the point named for the legitimate support of a Branch of the State Bank, feel constrained, to advise the non acceptance for the present of the application -

All of which is respectfully submitted

S Rand

Committee

W F Coolbaugh

The question being on the adoption of the above report the Yeas and Nays were called - Those voting in the affirmative were Messrs Allen - Bonson - Clark - Coolbaugh - Harrison Lake - Price - Rand - Stone - Whiting - Vice President and the Preisdent - twelve votes - ALL the members present voting in the affirmative

The resolution was declared adopted.

The Committee of the whole reported the following resolutions -

1st "That in the opinion of this board, the language of Section 23 in the Bank act, in reference to personal security was intended to restrict the taking of real Estate security only (at the time of making loans) and that the Branches can use their own discretion in reference to taking collaterals" The Yeas and Nays were called on this resolution Those voting yea were Messrs Allen Bonson - Coolbaugh - Harrison -

Lake - Mobley - Price - Rand Whiting - and the Vice
President 10 Votes

Those in the negative were Messrs Stone and the President
2 Votes

Mr. Clark at his request being excused from voting
The resolution was declared adopted.

"Resolved That in the opinion of this board it would be
illegal and usurious to exact in coin the payment of
debts due any Branch at its counter, But it is neither
illegal nor usurious to receive coin in payments as
aforesaid provided the same is not exacted but voluntarily
made

Which resolution was adopted

"Resolved that in the opinion of this board it is not
advisable for any of the Branches of this Bank to keep
their New York or Boston accounts with private Bankers
and while this board would not be considered as doubting
the integrity and entire responsibility of many of the
private Bankers in said Cities, it nevertheless conceives
that a due regard to their best interests requires that
the business of the Branches in those Cities should be -
so far as practicable - transacted with regular Banks -

Adopted

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Thursday evening Session continued August 11 - 1859

"Resolved that the Executive committee be authorized to
pass or omit any of their monthly meetings and may meet
the day before the regular meeting of the board of
Directors

adopted unanimously -

Meetings beginning November 16, 1859

"To the President and Directors of the State Bank

The undersigned committee on Presidents communica-
tions have had the quarterly communication of the President -
submitted at this session - under consideration, and submit
as their Report, the following resolutions on the several
topics presented and recommend their passage Novr 17 - 1859

H Price - Chairman of Com
1st Resolved That in the monthly Statements required by
Section 35 of the Charter - the Branches must include

under the head of Suspended paper the whole Amount of over due paper discounted or purchased by them. And this amount to be divided into the three classes specified in subdivision 12 of that section - namely good - doubtful - and amount in suit or judgement.

Resolved That the recommendation of the President on the subject of requiring each Branch to report all items of overdrafts to this Board be not concurred in - the same being in the opinion of this Board unnecessary - It is however recommended to all the Branches to prohibit as far as possible the practice of allowing any over drafts whatever -

Resolved that the provisions of a Resolution passed by this Board on the 11th May 1859 in reference to postponing the payment of instalments to the Branches at the time they severally fall due by by provisions of the act to incorporate the State Bank of Iowa - shall extend and be applicable to all Branches which may wish to avail themselves of the same for a further period of six months from the expiration of the time named in said Resolution of 11th May -

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Thursday Morning Session November 17th 1859

4th Resolved That the Fort Madison Branch be authorized to receive from the State Bank the remainder of the Notes for Circulation to which it is entitled according to the Charter, or depositing the necessary safety fund.

5th Resolved, That the President be authorized to order from the Engravers additional Notes for Circulation to the amount of Two hundred thousand dollars (\$200,000) as soon as the same shall in his opinion be demanded for the use of this Bank, and that it is inexpedient to procure new Plates at present

6th Resolved That the several Branches be requested to discriminate in their monthly Abstracts the amount of circulating Notes of each Branch held by them.

7th Resolved That the Branches be instructed to declare no dividends hereafter without first setting apart a contingent fund of one per cent on their paid up Capital, until otherwise ordered by the State Board, such contingent fund to remain a permanent fund, subject to be diminished only by actual losses charged to said fund ,,

The foregoing Report and Acompanying Resolutions Numbered one to seven inclusive, having been first read, each of them were taken up and considered separately, and on motion in each case were separately adopted.

Thursday Morning Session November 17th 1859

The Monthly Statements made severally by the Branches on the last Dividend day (the 7th instant) were taken up and separately examined and considered. When it appeared that the paper owned by them reported as suspended was merely past due and believed to be good - That it was not of the kind or character contemplated in section 34 of the Act to incorporate the State Bank of Iowa - It being neither bad nor past due six months.

Wherefore on motion in each case the several dividends proposed to be made by the following named Branches were each separately approved - to wit

The Branch at Burlington	5 per cent on \$75,000	say \$3,750
" Washington Branch	5 " "	25,000 " 1,250
" Merchants Branch - Davenport	" "	30,360 2,428.80
" Muscatine Branch	6 " "	34,000 2,040
" Branch at Des Moines	7 " "	25,000 1,750
" Keokuk Branch	5 " "	56,000 2,800
" Dubuque Branch	6 " "	30,000 1,800
" Branch at Iowa City	say 5 pr ct	
	from time paid in	26,300 1,292.91
" Mount Pleasant Branch	say 4 " "	25,000 <u>1,000</u>

The following named Branches do not propose to declare any Dividend at present - preferring to retain their profits - Viz The Oskaloosa Branch - The Lyons City Branch - and the Fort Madison Branch

On Motion it was Resolved that the balance of Circulating Notes which the Mount Pleasant Branch Bank is entitled to receive by law be delivered to T Whiting Cashier - and the balance of Circulating Notes to which the Burlington Branch is entitled by law be delivered to W F Coolbaugh the President, on the deposit of the requisite Safety fund in each case -

[112]

~~Tjkkkkm~~ , Thursday Morning Session November 17th - 1859

Mr Clark offered the following

Resolved That the Executive committee shall have power, and it shall be their duty, at any time when in their opinion it may be necessary, to make a personal examination - by one or more of their number - of the affairs of any Branch of the State Bank of Iowa, and - if in their opinion it is necessary - to call a special meeting of this Board, or to take such other action in reference to such Branch or Branches as they may deem necessary - not inconsistent with the Bank Law or the By Laws of the State Bank of Iowa

On Motion adopted

Meetings beginning February 15, 1860

Thursday February 16th 1860

Mr Price was declared elected to the office of President by Acclamation.

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Thursday P M - February 16th 1860

The Directors met agreeable to adjournment -

Members present same as before with the exception of Messrs Allen and Coolbaugh -

The Committee to whom was referred the Report of the Executive Committee at their meeting in Muscatine presented their Report and accompanying papers as follows

The undersigned, a Majority of the Executive Committee, having received information that the Cashier of the Muscatine Branch was pursuing a course prejudicial to the interest of that Branch and of the State Bank of Iowa, repaired to that place on the 5th day of January last, and calling to their assistance ~~E~~ Clark Esq of the Iowa City Branch proceeded to make a full and thorough examination of the affairs of the said Muscatine Branch, and found that Mr. Dutton the Cashier of said Bank had of the means of the Branch upon his drafts drawn upon irresponsible parties and upon other paper considered poor -----\$16,900
Overdrawn accounts of Dutton & Patterson -)
J. W Dutton -)----- 40,000
A P Patterson and others considered bad)
Other paper bad and doubtful ----- 4,100
\$ 61,000

To Secure which the Bank has a lien upon
Stock of Dutton & Patterson -----\$14,500
And a lien upon the stock of)
Bondsmen of the Cashier)----- 11,000

25,500
\$ 35,500

Which the committee consider the Cashiers Bond for \$50,000 signed by five persons is amply good for -

In making the examination of this Branch the Committee had recourse to the Books and Accounts of said Branch - An examination of the under officers - and also the examination of the Coin and other funds in possession of said Branch, And from said examination find the following to be the situation.

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Thursday P M Febry 16 1860

of said Branch To Wit

Due Depositors -----	\$25,045.86
" " (Special)-----	8,000.
" Other Branches-----	5,342.78
" Circulation-----	55,414.
	<u>\$93,802.64</u>
Cash on hand-----	25,378.64
Bills Discounted considd good----	26,291.45
Balances -----	7,977.42
Safety Fund-----	8,763.75
Furniture-----	1,286.95
Over checks (good)-----	1,290.35
City orders-----	<u>169.75</u>
	<u>71,158.31</u>
Deficiency-----	22,644.33

The above deficiency, or any other any other that may appear in the final settlement of the affairs of this Branch, is fully secured by a Deed of Trust Executed by C Weed, on his property for \$45,000-

A detailed Statement of the proceedings of the committee was made out and forwarded to every one of the Branches in the State, a copy of which is hereunto attached and made a part of this report and to which reference is hereby made

"Copy" of Statement to Branches

Sir

A meeting of the Executive Committee at the instance of Mr. Stone was held at this place (Muscatine) on Thursday Jan'y 5th for the purpose of examining into the condition of the Muscatine Branch, it having been reported to him that there was a deficiency in the accounts of the Cashier who had resigned his office and put all of his property into the hands of his Bondsmen to secure them.

Messrs Price and Stone were present - Mr Smith wrote

that it was impossible for him to attend, owing to sickness in his family and authorized the other members of the committee to act and he would concur -

Mr E Clark of Iowa City being present he was upon invitation of the committee persuaded to act with them and give them the benefit of his counsel,

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Thursday P M February 16th 1860

The Committee made a full and thorough examination of the affairs of the Branch and found it in a bad condition, Mr Dutton had of the means of the Branch upon his drafts drawn upon irresponsible parties, and upon other paper considered poor -----\$16,900
Overdrawn accounts of Dutton & Patterson

J W Dutton, A O Patterson and other
considered bad ----- 40,000
Other paper bad and doubtful----- 4,100
61,000

To Secure which the Bank holds
A Lien upon Stock of Dutton A Patterson
paid up 50 pr ct-----\$14,500
lien upon Stock of Bondsmen of ----- 11,000 25,500
leaving a balance of----- 35,500

which the committee consider the Cashiers Bond of \$50,000 signed by five persons here would apply to the larger portion of, its means having been obtained by irregularities of various kinds, in a great part - with the exception of some suspended paper.

The parties upon the bond are Chester Weed, A C Patterson, J W Lucas, S D Viele, & S Tufts.

Mr Patterson had already put all his property into the hands of his bondsmen to indemnify them -

Upon mature reflection it was the unanimous decision of the committee that the Branch should go into liquidation and wind up its affairs with the assistance of the other Branches until such time as the required amounts could be made upon the bond of the Cashier and its assets, to reimburse them.

Its liabilities they found to be
Depositors-----\$25,045.86
Special by bondsmen----- 8,000.
Due other Branches----- 5,342.78
Circulation----- 55,414.
93,802.64

[125]

Thursday P M February 16th 1860

Its assets

Cash -----	\$25,378.64	
Bills discounted considered good----	26,291.45	
Balances-----	7,977.42	
Safety Fund-----	8,763.75	
Furniture-----	1,286.95	
Over Checks-----	1,290.35	
City orders-----	169.75	
		<u>71,158.31</u>
Deficiency-----		22,644.33

The parties to the Bond, the Committee were satisfied were fully able to make it good with time.

After a consultation with its Directors and Stockholders who were anxious to go on, and be sustained by the other Branches - Messrs Clark & Price proposed to Mr Stone that he should take the Presidency of the Branch under the control of the Executive Committee, and control it ---- That Mr Weed should place in the hands of Trustees security to the amount of \$45,000 - That he would with his associates clear the institution within one year of all the indebtedness of Dutton & Patterson and other bad paper and make its stock at that time as originally \$34,000 paid up and unimpaired, and then transfer in such manner as should be approved by the State Board 500 Shares of its Stock, Which should be passed by the Board of Directors of the Branch and a copy sent to the State Bank, Under this the committee would pledge him the cooperation and assistance of the Branches to sustain the Branch by depositing money therein until its consumation as above -

This proposition - tho at first rejected by Mr Stone- was at last accepted, and submitted to the Stockholders and Directors of the Branch and acceded to by them -

The proper action was at once taken by the Branch - Mr Patterson resigned the

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Thursday P M February 16 1860

Presidency and Directorship and Mr Stone was unanimously elected Director and President of the Branch and entered upon his duties - Mr Weed placed in the hands of E Clark of Iowa City and H W Morse of Muscatine Securities to the satisfaction of the Executive committee and the committee

adjourned on Saturday Jany 7 - 1860
Mr Price returning to Davenport, leaving Messrs Stone &
Clark to report the result to the Branches.

The Washington - Iowa City & Davenport Branches have
reported their willingness to cooperate in this
Arrangement and the committee trust their action will be
sustained by all the Branches as the best to be done under
the circumstances.

The Branch here will call only for what is needed to
sustain it, for which interest will be allowed and it will
devote itself to getting its affairs into a safe and
sound condition.

Will your Branch - upon receipt of this report to
Geo C Stone Prest if he may rely upon your proportion of
aid when you may be called upon by him.

A full report will be submitted to the board at its
next session - We have not time or space to explain the
reason why the branch became so much involved, We shall
leave that for our report to the Bank - We deem it now
in safe hands and that it can with your aid soon become
what we all desire -

Yours Respectfully

H. Price
G. C Stone
E Clark

The Committee also submitted to the Directors of said
Branch the preamble and resolutions marked (B) and which
is hereto attached and made part of this Report -

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Thursday P M February 16th 1860

Paper Marked B-

Minutes - Muscatine Branch

Saturday January 7th 1860

4th Meeting - Present A C Patterson - S D Viele - W F
Brannan I B Dougherty - J W Lucas - Chas Nealley - C Weed
A Farnsworth - Full Board

The following preamble and resolutions were read and
unanimously adopted.

Whereas it appears from an examination of the Muscatine Branch of the State Bank by the Executive Committee, whose attention have been called to the same, that said Branch through the mismanagement of the Cashier thereof is in a bad condition, and Whereas said Executive committee propose, in order to save and avoid more stringent measures that George C Stone shall, under the direction of the Executive Committee of the State Bank, take the Presidency of said Branch at this time, and shall control the concern as he may see proper, with the understanding that the Executive Committee shall give all needed and possible aid therein, and also in inducing the other Branches of the State Bank to contribute whatever assistance may be required to make and keep said Muscatine Branch in a good sound condition, and further that the bondsmen of John W Dutton shall give such security - for the payment of all defalcations or claims - as shall be approved by said Executive Committee and shall make the paid up Capital Stock amount to \$34,000 Clear and unincumbered, one half within Six Months - and one half within twelve months, and shall transfer \$50,000 Stock of said Branch - including the \$29,000 now held by said Branch - in such manner as shall be approved by the State Board -

Now Therefore in view of the foregoing, be it Resolved by the Board of Directors of said Muscatine Branch that the foregoing arrangement of the Executive Committee be and the same is hereby agreed to

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Thursday P M February 16th 1860

and accepted, and that a certified copy of this be forwarded to the State Board -

A C Patterson tendered his resignation as Director and President of this Bank which on motion was Accepted -

On Motion

On Motion John W Lucas was appointed President pro tem of this board and took his seat

On Motion the transfer of 150 Shares of Stock on the 2 inst and of 1 share on this day by A C Patterson to this Branch as indemnity in part was approved.

On Motion the transfer of one share of Stock by Fredinand Kaufman to George C Stone this day was approved -

Motion made and ^{CA}carried to proceed to fill vacancy in the board caused by the resignation of A C Patterson Charles Nealley and John R Dougherty were appointed tellers -

Chester Weed nominated George C Stone - An Election by ballot was then held and George C Stone received Seven 7 votes being all the votes cast and was declared duly elected as one of the Directors of this Branch.

Mr. George C Stone then appeared and qualified by taking Oath which was afterward filed with the Recorder of Muscatine County.

On Motion the board proceeded to elect President of this Branch by Ballot - George C Stone was nominated and having received seven 7 votes being all cast was declared duly elected to that office -

On Motion adjourned

Chester Weed
Cashier

129

Thursday P M February 16th 1860

I hereby certify that the foregoing is a true copy (except the oath of G C Stone as director which is recorded at large and omitted here) of the proceedings of the Board of Directors of this Branch at their meeting held day and date as first written.

Chester Weed Cashr

The Committee further state, that in their opinion the Branch is now entirely safe as to Depositors and Bill holders, and that in no case is there any probability of any loss or damage to any person or persons except to the Bondsmen of Mr Dutton in general and C Weed in particular -

All of which is respectfully submitted

February 15 - 1860

H Price -)
) Ex Com
Geo C Stone)

The Committee reported the following Resolutions and recommended their adoption by this board

Resolved That the action of the Executive Committee in the case of the Examination of the Muscatine Branch be and the same is hereby approved -

Resolved That in consideration of the part taken in this matter by Geo C Stone and the services rendered by him - The State Board will cause to be transferred to said Stone at any time when he may require it a majority of

the stock of said Branch, he paying par therefore and making such arrangement in reference to the Washington Branch as shall be satisfactory to the State Board.

Resolved That until the above arrangements shall have been consumated the Branch at Muscatine shall be conducted under the direction & control of the Executive committee as at present -

Thursday P M February 16, 1860

Resolved That as soon as the Branch is in a sound condition and the transfers made as above provided for, The Executive Comt shall have power, and it is hereby made their duty to place the Branch under the control of its officers and resign their charge

Wm T Smith)	
H Price)	Comt
E Clark)	

While the foregoing report and resolutions were yet under consideration

On Motion adjourned to 7 Oclock this evening

Thursday evening February 16th 1860

Board met in pursuance of adjournment - Members present same as before -

The consideration of the report of the committee on the condition of the Muscatine Branch was resumed -

The question recurring on the adoption of the first resolution in the series reported by the committee Those voting Yea were Messrs Bonson - Clark - Eaton Graves - Harrison - ~~Melzer~~ Nobel - Price - Rand - Whiting & Vice President - Ten votes being all the votes cast The President and Mr Stone being at their request excused from voting on this or either of the other three succeeding resolutions.

The first resolution was declared adopted

The Yeas & Nays were then taken on the adoption of the second resolution -

[131]

Thursday evening February 16th 1860

Those voting in the affirmative were Messrs Bonson-
Clark - Graves - Harrison - Nobel - Price - Whiting
Vice President 8 Votes -

In the negative Rand & the President 2 Votes -
Messrs Stone and Eaton declined voting -

On the adoption of the third resolution Those voting
in the affirmative were Messrs Bonson - Clark - Eaton -
Graves - Harrison - Noble - Price Rand - Whiting - and
Vice President 10 - being all the votes cast -
The President & Mr Stone declined voting -

On the fourth Resolution Those voting in the affirmative
were Bonson - Clark - Eaton - Graves - Harrison - Nobel
Price - Rand Whiting and Vice President.
10 being all the votes cast -

When the President and Mr Stone declining to vote
The Resolutions were all declared adopted.

Meetings beginning May 16, 1860

Considered statements of condition and dividends declared
of and by each Branch Bank.

Some approved only upon condition that bank carry to credit
of contingent fund one percent of capital.

Meetings beginning May 17, 1860

Among resolutions "Resolved that it shall be the duty of
the President of the State Bank until otherwise ordered by the board
to examine in person, at least once in six months, each of the Branches
of the State Bank and oftener if requested to do so by some member
of the State Board."

Meetings beginning August 15, 1860

Compensation of directors of St. Board changed to three
dollars per day with no allowance for mileage.

Meetings beginning August 16, 1860

Directors and officers of respective Branch Banks ordered
to make personal examinations at time of each monthly report.

Meetings beginning November 14, 1860

Consideration of dividend declarations. Some approvals
conditional upon increase of contingent funds.

President authorized to require additions to safety funds

of respective banks if value of securities held in such funds declines.

Meetings beginning February 13, 1861

Nothing of interest.

Meetings beginning May 15, 1861

Consideration of dividends; general approval with exceptions as noted previously.

Committee to investigate quarrel among stockholders of Mt. Pleasant bank recommend "Where the safety and good standing of the Branch is not endangered, it is not a matter requiring the attention or interference of this Board . . ."

"Resolved: That the President be and he is hereby instructed to receive no ~~Bonds~~ Bonds of Southern States on account of Safety Fund and to invest no funds of Branches in his hands in anything but United States or Northern States Stocks."

Meetings beginning August 14, 1861

If president has "reason to believe" there is capital impairment should order a reduction of circulation or increase in specie or other action.

President authorized and requested to invest coin in S. F. in U. S. or State bonds.

Meetings beginning November 13, 1861

Consideration of dividend declarations.

President ordered to place Washington Branch in liquidation if the "actual Capital Stock" is not increased by \$25,000 within thirty days.

No Branch Bank to be hereafter admitted unless voted by three-fourths of members present.

Meetings beginning February 12, 1862.

"Resolved; that the President appoint a Committee of three to take into consideration what effect the passage of a law by Congress making Treasury Notes a legal tender will have upon the business of the State Bank of Iowa, and to enquire whether the Branches may use such legal tender at par in the redemption of their liabilities"

Washington Br. Bk. had brought up capital as previously ordered and "the President is hereby authorized to transfer to said Branch the remaining 89 shares now held by him in trust, and also return to it the \$10,000 in coin now in the possession of this Board as a special Safety Fund."

Committee appointed above recommends that it not be deemed forfeiture of charter if a Branch Bank redeems in legal tender Treasury notes.

Meetings beginning May 14, 1862

If any Branch Bank sued for redeeming in legal tender notes expenses will be borne by Board, through assessments on all banks.

Report that several Branch Banks have refused to redeem notes investigated by special committee, found to be false thus requiring no action.

Consideration of dividend declarations. Dubuque Branch disapproved, others approved.

Meetings beginning August 13, 1862.

Reports of failure to redeem circulation found to arise from offers to redeem in legal tender notes but refusals to pay in coin. Held to be "right and proper and constituted no act of insolvency."

Meetings beginning November 12, 1862

Consideration of dividend declarations.

Salary of president raised to \$8 per day plus travelling expenses.

Meetings beginning February 11, 1863.

Nothing of interest.

Meetings beginning May 13, 1863

Consideration of dividend declarations. Several not approved.

Fort Madison bank in difficulty. A special committee recommends that assets be placed under control of Board and a receiver be appointed. No action to be taken by receiver unless further examination shows bank insolvent. (Report adopted).

[Action described in Preston]

Meetings beginning August 12, 1863

Nothing of interest. Fort Madison ~~affi~~ affair apparently closed.

Meetings beginning November 11, 1863

Consideration of dividend deelarations. Most approved, some conditional approvals.

Meetings beginning February 10, 1864

Recommendation that Iowa City Branch Bank increase specie "to at least the legal amount on their circulation."

Resolution passed authorizing action to "wind up the affairs of the [Iowa City] Branch . . ." if specie not raised to legal level. This to be done before next meeting of Board.

Meetings beginning May 11, 1864.

Consideration of dividend ~~de~~clarations. Most approved.

Meetings beginning August 10, 1864

McGregor Branch Bank ordered to increase specie to legal level and reduce liabilities of directors and stockholders.

Meetings beginning November 16, 1864.

More detail ordered on securities and loans as reported. Dividends to be disallowed if any Branch Bank fails to do this.

"Ordered that no dividends shall hereafter be allowed to any Branch whose quarterly statement shall show that the Directors or Stockholders are liable as principles or sureties to an amount greater than is allowed by law."

Consideration of dividend declarations. Most approved: some postponed.

No dividend to be allowed by any bank "which has failed to comply strictly" with any orders of board.

Council Bluffs Branch Bank ordered to deliver \$67,000 in its own circulation or U. S. currency or bonds, to "protect the circulation of said Branch." If not done, bank to be enjoined.

All Branch Banks ordered to reduce circulation within next 90 days to amounts equal to paid-in capital.

Meetings beginning February 15, 1865.

System beginning to break up. Circulation being withdrawn.

'Series of resolutions, all adopted:

3. Advisable to "preserve charter" of State Bank.
5. No more notes, ^{own} or other Br. Banks, to be paid out.
6. All notes to be sent to Secty.
8. "Any Branch is permitted to sell its coin provided that it keeps deposited Fifty percent of its outstanding circulation as safety fund or in proportion to the amount of specie sold."

Meetings beginning May 10, 1865

Dissolution in this and other meetings. Last

November 22, 1865

Correspondence
and excerpts

210 Commerce Hall
UNIVERSITY OF WASHINGTON
COLLEGE OF ECONOMICS AND BUSINESS
SEATTLE

December 7, 1939

Mr. Clark Warburton
Senior Research Assistant
Division of Research and Statistics
Federal Deposit Insurance Corporation
Washington, D. C.

Dear Mr. Warburton:

It is approximately twenty years since I worked on the records of the State Bank of Iowa and I am frank to say my memory may not be accurate on certain points. In the first place, the Record of the Commissioners is a manuscript volume which was, and I assume still is, in possession of the State Historical Society of Iowa in its vaults. It is in handwriting in a large book of the old ledger type. My memory is definitely that it does not contain statements of the bank itself or of any of the branches. If they were officially published in anything except perhaps the Iowa City papers, I am sure that I would have noted this at the time. It seems to me the best answer that I can give you is to send your letter immediately to Professor Benjamin Shambaugh, who is superintendent and editor of the State Historical Society records and ask for his cooperation. I will ask him to check, if possible, on the records of the individual branches.

I find in checking hurriedly over the statements in my own study that I state on pages 90 and 91 the conditions under which the reports were to be filed and published. I am sorry this is not more complete or that I cannot remember how much was actually available to me at the time. I am interested to note also that on page 91 there is apparently a typographical error which escaped my attention in spite of considerable care in proofreading. This is the last sentence of the first paragraph. A line must be omitted there.

I think, from the point of view of mutual guaranty of bank obligations, the State Bank of Iowa has some very interesting history. In the first place, as I have tried to point out, the directors were very careful in the authorization of branches, and there was a mutual liability on the part of the bank as a whole for all notes issued. As the statement shows, note issue was a very important part of the liability of banks. I find my statement regarding the action of the directors with respect to the Muscatine Branch is rather inadequate. I point out (page 106) that it was necessary for the executive committee of the State Bank to take over the management of this branch. There was quite a little apparent consideration given to this, and while I have touched it rather briefly, it probably should have been stressed somewhat more, certainly from the point of view of mutual guaranty which you are considering.

Mr. Warburton

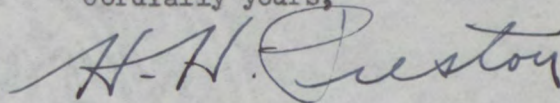
-2-

December 7, 1939

You will observe in the Table of Dividends Paid by the Branches that this branch did not pay any from 1860 to 1863. This was the period when it was using all of its earnings to restore a loss occasioned by the dishonesty of the cashier.

I think the old State Bank of Iowa has a very interesting career and I wish I had given a little more attention to writing up the details of its history. At the time I had probably as good an opportunity as anybody could and I should have included some detail which other investigators might use. This probably would have been more valuable than some of the later chapters of the book which were of great interest to me then and appeared to make the volume have a little broader interest. Actually, the inquiries I have had or the genuine interest evidenced has been in the earlier material.

Cordially yours,



H. H. Preston
Dean

HHP:jh



FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON 25

October 24, 1951

State Auditor
Des Moines, Iowa

Dear Sir:

The Division of Research and Statistics of this Corporation is attempting to secure information on the various State banking systems which provided insurance for bank creditors prior to the establishment of federal deposit insurance in 1933. Since the State Bank of Iowa, 1859-1865, was one such system, we are interested in its records, particularly the statements of condition of the Branch Banks for at least one date in each year that the State Bank was in operation.

The law establishing the State Bank required that the cashiers of the Branch Banks send detailed reports, semi-annually, to the State Auditor. Reports of the State Auditor for the years 1859-65, as reprinted in Iowa Documents, do not include these cashiers' reports. We are writing therefore to ask whether it is possible that these reports are still located in your office and, if so, whether they are available for research purposes.

Your cooperation in helping locate these early records would be very much appreciated.

Very truly yours,

Edison H. Cramer, Chief
Division of Research & Statistics

Gentlemen;

We are sorry to advise that reports of the Auditor of State for the years 1859-65 are not available in this office. We have in our library reports as far back as the early eighty's but back of that date we don't seem to have any reports.

Yours very truly,

Deputy Auditor.

D.M.Ia.10-29-51;

Iowa
State Department of History
and Archives
HISTORICAL BUILDING
Des Moines 19

Claude R. Cook, Curator

November 6, 1951

Edison H. Cramer, Chief
Division of Research & Statistics
Federal Deposit Insurance Corporation
Washington 25, D. C.

Dear Sir:

In checking the official records in the archives division of this department in relation to Iowa banking, we find none on file from the office of the Auditor of State or his predecessor, the Auditor of Public Accounts, relating in any way to the State Bank of Iowa in 1859-1865, referred to in your letter of inquiry of October 24. The earliest date of these in our files is 1873.

We do not have the volume of records of that department covering the earlier period, nor have we been able to locate same. Inquiry has been made of the present State Department of Banking and a response from the superintendent states "we have no idea where these records may be found." Similar inquiry has been made of the present Auditor of State, and we are informed that the records in that office now available do not date prior to the 80's. Therefore, we have no other source to seek information as to their whereabouts or whether yet in existence.

A number of years ago several historical articles appeared in the Annals of Iowa, the historical quarterly published by this department, sketching details of operation of the State Bank of Iowa, listing the several banks and the prominent men of the state who served upon its board and operated its branches. Perhaps some of the information you seek may be secured from this source, as at least one of the articles listed officers, amount of dividends paid, and presented statements as of February 7, 1859, and as of January 2, 1865. This will be found in the issue of Vol. V, No. 2, pp. 93-116, and was written by Maj. Hoyt Sherman, previously cashier of the Des Moines branch, and president of the Equitable Life Insurance Company of Iowa. Major Sherman was one of Des Moines most distinguished citizens and a brother of General Wm. T. Sherman and U. S. Sen. John Sherman of Ohio.

In two other excellent articles the activities these institutions were also outlined in articles, being

January, 1894, Vol. I, No. 4, pp. 266-293, by Hiram Price, one of the founders of the State Bank of Iowa, and an Iowa congressman 1863-69.

Edison H. Cramer
November 6, 1951
Page 2

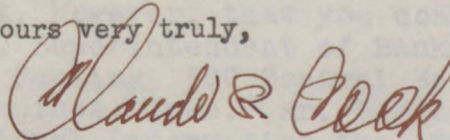
July 1906, Vol. VII, No. 6, pp. 405-411, by J. T. Remy, re Wm. F. Coolbaugh, who with others established the Burlington branch of the State Bank of Iowa.

The above mentioned issues of the Annals would most likely be found at the Periodical Division of the Library of Congress at Washington. Three other institutions there also receive same, perhaps having bound files dating back to the numbers containing the articles referred to, being

The Indian Office Library, Interior Department
The National Archives
The Bureau of American Ethnology, Smithsonian Institute

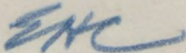
On July 15, 1946, Congressman Henry O. Talle, from the Iowa Second District, delivered an address in the U. S. House of Representatives upon the subject, "A Century of Banking in Iowa," in which he reviewed the history of that early period and the changes made in the constitution of this state relating thereto. There may be some information in Mr. Talle's address which you do not already have upon the subject.

Yours very truly,



Claude R. Cook
Curator

CRC:ws



The State Historical Society of Iowa

Iowa City, Iowa

Office of the Superintendent

William J. Petersen

November 9, 1951

Mr. Edison H. Cramer
Chief, Division of Research and Statistics
Federal Deposit Insurance Corporation
Washington 25, D. C.

Dear Mr. Cramer:

In reply to your letter of October 24, I am very sorry to state that to my knowledge the books containing the monthly abstracts of the statements of the Branch Banks of the State Bank of Iowa have not been located.

I would suggest, however, that you contact Mr. Newton P. Black, Superintendent of Banking, State Department of Banking, 500 Central National Bank Building, Des Moines, Iowa. Mr. Black perhaps may have additional information that may be quite useful to you. Our limited staff at this time almost makes it impossible for us to check back into the Iowa newspapers.

Very sincerely yours,

William J. Petersen

William J. Petersen
Superintendent

WJP:pak

To
William J. Petersen
Superintendent
of State of Iowa
Iowa City, Iowa.

Thank you for your letter of November 9. ~~we have written to you in accordance~~

~~with your suggestion and hope that he may have the information we desire.~~

~~for further information on the records of the State Bank of Iowa.~~

If the records in question cannot be located, we will probably want to secure photostatic copies of the statements of the State Bank from your files of the Iowa City Republican.

So that we may be prepared to do this, ~~indicated that the bank~~ could you inform us if your library has facilities for preparing photostats and, if so, at what cost.

As ~~we~~ noted in our previous letter, we will only want photostats if ~~the~~ ^{three} statements of the ~~State Bank~~ include items for each of the Branch Banks.

Let me take this opportunity of expressing my appreciation for the assistance you have given us.

Very truly yours,

Cramer

We have already received information from Mr. Mahi's Office to the effect that the records of the State Bank of Iowa are not there.

The Early History of Banking in Iowa, by Fred D. Merritt
Thesis, University of Iowa, 1900

The period covered in this Early History of Banking in Iowa extends from 1836 to 1846, with short sketches of the political and economic conditions from 1846 to the Constitutional Convention of 1857. It includes the history of the Miners' Bank of Dubuque, the only chartered bank, and the discussions of banks in the Constitutional Conventions of 1844 and 1846.

The material from which this history has been drawn is widely scattered. There is a bibliography (p. 149-150) covering about two pages. But the author states that the principal part of the material was found in the library of the State Historical Society At Iowa City, including the Journals of the House of Representatives and Council of Iowa Territory, and the files of the Iowa Capital Reporter from 1841 to 1846, and the Iowa Standard from 1840 to 1845 and the Bloomington Herald from 1841 to 1846.

The file of the Dubuque Visitor and Iowa News was found at the library of the State Historical Department lately merged into the Iowa State library. Other material was found at the library of the U. of Chicago, the Newberry library, the Chicago Public library and the library of the State Historical Society of Wis.

There are not statistical tables, but one or two bank statements have been included in the book.

The table of contents is as follows:

Chapter

1. Organization of the Miners' Bank of Dubuque
 1. Introduction
 2. The Charter
 3. Confirmation of the Charter by Congress
 4. The Opening of the Bank
- II. The Legislative Investigations 1837-38
 1. The First Investigation
 2. The Issuing of Post Notes
 3. The Effects of the First Investigation
 4. The Second Investigation
 - (a) The Interrogatories and Answers
 - (b) The Testimony of G.D. Dillon
 - (c) Discussion of the Report
 - (d) The Supplementary Investigation
 - (e) The Memorial to the Legislature
 5. The Newspaper Correspondence
- III. On the General State of the Currency
 1. Opposition to Small Bank Bills
 2. Scarcity of Silver
 3. Stay of Execution
 4. Public Opinion in Regard to Banks

5. Character of the Paper Money in Circulation
6. The Governor's Recommendation
- IV. Banking in Iowa from 1838 to 1841
 1. The Third Investigation
 2. The Results of the Investigation
 3. The Proposed Bank of Charleston
 4. Condition of the Miners' Bank in 1841
 5. The Loan of the Miners' Bank to the Territory of Iowa
 6. The Panic of 1837 and General Suspension of Specie Payments
 7. Suspension of Specie Payments by Miners' Bank
- V. Banking in Iowa from 1841 to 1844
 1. The Attitude of the Fourth Legislative Assembly
 - (a) Position of Democrats in the Council
 - (b) Position of Whigs in the Council
 - (c) Action in the House
 2. Proposed Bank of Davenport
 3. Change in Stockholders of the Miners' Bank
 4. The Failure of the Territory of Iowa to Pay the Debt Due to the Miners' Bank
 5. Attempt in the Fifth General Assembly to Revoke the Charter of the Miners' Bank
 - (a) Majority Report of Select Committee of the House
 - (b) Minority Report of Select Committee of the House
 - (c) Consideration of Reports by the House
 - (d) Action by the Council
 6. The Claims of Improper Influences
 - (a) The Majority Report of Select Committee
 - (b) The Minority Report of Select Committee
 7. The Miners' Bank in the Sixth Legislative Assembly
 - (a) Reception of Petitions
 - (b) The Discussion in the House
 - (c) The Discussion in the Council
 - (d) The House Refuses to Concur
 8. ~~The Resumption~~ of Specie Payments by Miners' Bank
- VI. The Question of Banking Before the Constitutional Convention of 1844
 1. The Majority and Minority Reports on Banks
 2. Report of the Select Committee on Banks
 3. Report of Committee on Incorporations
 4. The Constitution of 1844 as Viewed by the Press and People
- VII. Culmination of the Opposition to Banking
 1. Petition For a Stock Bank at Iowa City
 2. Repeal of the Charter of the Miners' Bank
 - (a) In the House
 - (b) In the Council
 - (c) Provisions of the Bill
 3. Provision for Payment of Debt Due the Miners' Bank by the Territory of Iowa
 4. Protest against Provision for Banks in the Constitution
 5. Address of the Directors of the Miners' Bank "to the People of Iowa"
 6. Petitions to Congress to Disaffirm the Acts Granting Banking Privileges to Citizens of Territories.

7. The Closing of the Bank
8. Constitutional Convention of 1846
9. Opposition to the Constitution
10. The Whig and Democratic Reasons for Ratification
11. The Attempt to Amend the Constitution of 1846, and Adoption of the Constitution of 1857

The following chapters are devoted to the history of the bank and banking system, and the various attempts to organize a bank in Iowa. The first chapter is devoted to the history of the bank and banking system, and the various attempts to organize a bank in Iowa.

The second chapter is devoted to the history of the bank and banking system, and the various attempts to organize a bank in Iowa. The third chapter is devoted to the history of the bank and banking system, and the various attempts to organize a bank in Iowa.

The fourth chapter is devoted to the history of the bank and banking system, and the various attempts to organize a bank in Iowa. The fifth chapter is devoted to the history of the bank and banking system, and the various attempts to organize a bank in Iowa.

The sixth chapter is devoted to the history of the bank and banking system, and the various attempts to organize a bank in Iowa. The seventh chapter is devoted to the history of the bank and banking system, and the various attempts to organize a bank in Iowa.

The eighth chapter is devoted to the history of the bank and banking system, and the various attempts to organize a bank in Iowa. The ninth chapter is devoted to the history of the bank and banking system, and the various attempts to organize a bank in Iowa.

Table 1. Summary of the history of the bank and banking system, and the various attempts to organize a bank in Iowa, from 1834 to 1857.

Table 2. Summary of the history of the bank and banking system, and the various attempts to organize a bank in Iowa, from 1858 to 1860.

Table 3. Summary of the history of the bank and banking system, and the various attempts to organize a bank in Iowa, from 1861 to 1863.

Table 4. Summary of the history of the bank and banking system, and the various attempts to organize a bank in Iowa, from 1864 to 1866.

Table 5. Summary of the history of the bank and banking system, and the various attempts to organize a bank in Iowa, from 1867 to 1869.

Table 6. Summary of the history of the bank and banking system, and the various attempts to organize a bank in Iowa, from 1870 to 1872.

Table 7. Summary of the history of the bank and banking system, and the various attempts to organize a bank in Iowa, from 1873 to 1875.

Table 8. Summary of the history of the bank and banking system, and the various attempts to organize a bank in Iowa, from 1876 to 1878.

Table 9. Summary of the history of the bank and banking system, and the various attempts to organize a bank in Iowa, from 1879 to 1881.

Table 10. Summary of the history of the bank and banking system, and the various attempts to organize a bank in Iowa, from 1882 to 1884.

History of Banking in Iowa by Howard H. Preston. 1922
(Thesis, U. of Iowa)

This book of about 400 pages undertakes to give a history of banking in Iowa from the earliest settlement to the present time. It includes all types of banks and financial institutions. The Iowa Bankers Association also receives considerable attention.

In the development since the founding of the national banking system, the experience of Iowa appears to have paralleled that of the other Commonwealths. The most distinctive feature of the banking situation in Iowa around 1922 was the large number of banks, and the majority of these banks ~~were~~ country banks.

The establishment of the present commercial and savings banks system and its development to 1922 are sketched in chapters VII to X.

The main portion of the study was carried on in the research rooms of The State Historical Society of Iowa. There is no bibliography given, but there are 45 pages of notes and references.

The few statistical tables scattered through the manuscript are headed as follows:

Table I. Combined Statements of the Branches Of the State Bank of Iowa For the years 1859, 60, 61, 62, 63, 64, 65

Table II. Per Cent of Dividends Paid by Branches of the State Bank of Iowa, years 1858 to 1864

Table III. Numbers, Deposits, Capital Stock, and Total Assets of the National Banks in Iowa, 1863-1920

Table IV. Numbers of Banks in Iowa, 1875-1920, divided as to National, Authorized, State Supervised and Private Banks.

Table V. Number, Deposits, Capital Stock, and Total Assets of State and Savings Banks and Trust Companies in Iowa, 1875-1921

Table VI. Classification of Iowa Banks According to Capital, April 28, 1909, by Types of Banks

Table VII. Exchanges in Iowa Clearing Houses

Table VIII. National Bank Failures in Iowa From 1865 to Oct. 30, 1920

Table IX. Number of Building and Loan Associations in Iowa, 1896-1918

Table X. Value of Farm Property in Iowa, 1850-1920....

Table XI. Farm Mortgage and Debt Reports fro Iowa

Table XII. Farm Operation and Ownership in Iowa.

Table XIII. Data Concerning the Morris Plan Companies in Iowa

Table XIV. Reasons for Borrowing From the Morris Plan Companies of Waterloo and Cedar Rapids

Table XV. Net Earnings and Dividends of the Country National Banks in Iowa, 1896-1919

Table XVI. Presidents and Places of Meeting of the Iowa Bankers Ass'n.

The book is divided into fifteen chapters, the headings of which are as follows:

Chapter

- I. Economic and Political Background
- II. The Miners' Bank of Dubuque
- III. Prohibition of Banking
- IV. Frontier Banking in Iowa
- V. Constitutional Authorization of Banking Corporations
- VI. The State Bank of Iowa
- VII. Establishment of the Present Banking System
- VIII. Development of Banking, 1875-1921
- IX. Supervision of Banking
- X. The Federal Reserve System in Iowa
- XI. Building and Loan Associations
- XII. Farm Mortgage Banking
- XIII. Special Types of Banking
- XIV. Banks and the Community
- XV. The Iowa Bankers Association

Asset and liability data for the State Bank, i.e., the Branch Banks collectively, and also the Branch Banks individually, for most years from 1858-64 are available for several dates in each year beginning 1859. No data are available for private banks.

Distribution of banks by size. Most of the Branch Banks making up the State Bank of Iowa were relatively small. For the period during which the Fund was in operation ~~(1858-64)~~ ^{majority} the ~~greatest~~ number of the Branches had total obligations (circulation plus deposits) of less than \$200,000. At the end of 1859 none of the Branches had exceeding \$400,000 and seven of the total of 12 actually had obligations of less than \$100,000. Close to the termination of the Fund's operation of the 15 Branches, six had obligations of less than \$200,000, six had obligations of between \$200,000 and \$400,000 and the remaining three fell into the larger size groups of which only one had obligations exceeding \$800,000. Table A shows Branches grouped by size, 1858-1864.

Total Branch obligations. Available statements indicate that total obligations increased in each year beginning in 1859 and reached a peak in 1864 of more than \$4,500,000. Circulation reached a peak at the end of 1863. For the year end 1864 circulation figures

show a slight decline reflecting the beginning of the movement to convert to National Banks. Deposits rose steadily for the entire period and more than doubled from 1859 to 186⁰~~9~~. Table B shows obligations of the State Bank of Iowa, 1858-1864.

There is some evidence that circulation did not have in Iowa the importance that it enjoyed earlier in western States. As shown in Table B circulation exceeded deposits in only one year, 1859. In 1863, when circulation was at its peak, it constituted less than 42 percent of combined deposits and circulation.

It is also clear that the Branch Banks did not expand circulation to the full extent permissible under the law. From individual Branch Bank statements it appears that, of the 15 Branch Banks, 13 had capital of less than \$100,000 during the entire period, while the capital of two did not exceed \$200,000 in 1865 and was probably less than \$100,000 for part of the period. Consequently, circulation of the State Bank could have been expanded to about twice the capital during any year between 1859 and 1865. That this was not the case is shown in Table 2.

Failure of the Branch Banks to expand circulation to its authorized limits was probably due in part to a change in the habits of bank customers respecting use of checking accounts and in part to the fact that the Branch Banks were limited by the required specie reserve of 25 percent. Because of the provision of law which required that Branch Banks also retain 25 percent of their deposits, it is impossible to tell how closely they were restrained by the requirement of a specie reserve for circulation.

Data presented in Table 3 shows that specie relative to deposits plus circulation fell from 50 percent in 1859 to about nine percent in 1865 but specie relative to circulation alone never fell below 27 percent. It may be presumed that originally there were large specie deposits but that as deposit banking became important other assets were used as deposit reserves; e.g., United States notes, and specie served only as a reserve for circulation.

Distribution of Branch Bank circulation. As was mentioned earlier circulation was the only obligation covered by the Iowa insurance system and consequently it might be well to give further attention to

this item. Table C shows the percentage distribution of circulation and deposits among Branch Banks grouped by size for two selected dates during the period during which the system was in operation.

Examination of Table C indicates that in 1859 circulation was concentrated in the smaller sized banks. Over 82 percent of circulation was in 93 percent of the Branches, all of which had total obligations under \$200,000. However, this was not true for the year 1864. Only 27 percent of circulation was concentrated in the smaller sized Branches which made up 40 percent of total Branches. 35 percent of ~~xxx~~ circulation was in the 40 percent of Branches composing the medium sized group, while over 38 percent of circulation was held by the remaining 20 percent of Branches classified in the largest size groups. This seems to be the reverse of the situation found in Ohio where there was a minimum of concentrated risk to the insurance system due to the fact that as a bank became larger the proportion of its insured obligations tended to decline. In Iowa one might unhesitatingly conclude that the risk ~~xxxxxx~~ borne by the insurance system in the case of the larger sized banks appears to have been considerable. This can be further corroborated

by glancing at the ~~xxxx~~ asset and liability statement of the individual Branch Banks for January 1865 which gives indication of the distribution of circulation among the Branches. These data are summarized in Table 4 and show that on that date deposits exceeded circulation in ten of the Branch Banks. Because of the variation in the extent to which various Branch Banks expanded circulation, again one can readily agree that the degree of concentration of risk to the insurance system was surprisingly large. About one-fifth of the entire circulation of the State Bank in 1865 was attributed to the Branch Bank at Dubuque. Circulation of this Branch plus the Branch Banks at Burlington and Des Moines was about one-half of total circulation although the banks constituted only one-fifth of the number of banks.

Table 1Branch Banks Comprising the State Bank of Iowa,
Names and Dates of Admission ^{1/}

<u>Name</u>	<u>Date of Admission</u>
Muscatine Branch of the State Bank of Iowa	October 9, 1858
Iowa City Branch of the State Bank of Iowa	October 9, 1858
Des Moines Branch of the State Bank of Iowa	October 9, 1858
Dubuque Branch of the State Bank of Iowa	October 9, 1858
Oskaloosa Branch of the State Bank of Iowa	October 9, 1858
Mt. Pleasant Branch of the State Bank of Iowa	October 9, 1858
Keokuk Branch of the State Bank of Iowa	October 9, 1858
Merchants Branch of Davenport of the State Bank of Iowa	October 9, 1858
Lyons City Branch of the State Bank of Iowa	February 17, 1859
Branch of the State Bank of Iowa at Burlington	March 18, 1859
Washington Branch of the State Bank of Iowa	March 18, 1859
Fort Madison Branch of the State Bank of Iowa	August 11, 1859
McGregor Branch of the State Bank of Iowa	February 15, 1860
Council Bluffs Branch of the State Bank of Iowa	November 14, 1860
Farmers Branch of the State Bank of Iowa at Maquoketa	February 10, 1864

^{1/} Preston, op. cit., p. 101.

Asset and liability data for the State Bank, i.e., the Branch Banks collectively, are presently only available for one date in each year beginning in 1859. Similar data for the Branch Banks individually are available for one date in 1859 and one date in 1865. ^{1/} No data are available for private banks. Complete asset and liability data for dates now available are shown in the appendix to this study. ^{2/}

As noted earlier, only circulating notes were covered under Iowa's insurance plan. The few statements now available indicate that circulation of the State Bank increased in each year beginning in 1859 and reached a peak in 1864 of more than \$1,500,000. In 1865 circulation was down slightly, reflecting the beginning of the movement to convert to National Banks. Table 2 shows circulation of the State Bank for one date in each year of its operation.

There is some evidence that circulation did not have in Iowa the importance that it enjoyed earlier in western States. As shown in Table 2, circulation exceeded deposits in only one year, ¹⁸⁵⁹ 1862. In 1864, when circulation was at its peak, it constituted less than ⁴² 40 percent of combined deposits and circulation.

It is also clear that the Branch Banks did not expand circulation to the full extent permissible under the law. From individual Branch Bank statements, it appears that, of the 15 Branch Banks, 13 had capital of less than \$100,000 during the entire period, while the

^{1/} More complete information is available in newspapers and manuscript volumes now in possession of the State Historical Society of Iowa at Iowa City. There are at least 40 issues of newspapers containing monthly abstracts of reports of the State Bank.

^{2/} Appendix, pp.

capital of two did not exceed \$200,000 in 1865 and was probably less than \$100,000 for part of the period. Consequently, circulation of the State Bank could have been expanded to about twice the capital during any year between 1859 and 1865. That this was not the case is shown in Table 2.

Failure of the Branch Banks to expand circulation to its authorized limits was probably due in part to a change in the habits of bank customers respecting use of checking accounts and in part to the fact that the Branch Banks were limited by the required specie reserve of 25 percent. Because of the provision of law which required that Branch Banks also retain 25 percent of their deposits, it is impossible to tell how closely they were restrained by the requirement of a specie reserve for circulation.

Data presented in Table 3 shows that specie relative to deposits plus circulation fell from 50 percent in 1859 to about nine percent in 1865 but specie relative to circulation alone never fell below 27 percent. It may be presumed that originally there were large specie deposits but that as deposit banking became important other assets were used as deposit reserves; e.g., United States notes, and specie served only as a reserve for circulation.

Of the two statements showing asset and liability items of ^{the individual} Branch Banks, only that of January 1865 gives indication of the distribution of circulation among the banks. These data are summarized in Table 4 and show that on that date deposits exceeded circulation in ten of the Branch Banks. Because of the variation in the extent to which various Branch Banks expanded circulation, the degree of

Table 2

Note Circulation, State Bank of Iowa, 1859-1865 ^{1/}

<u>Year</u>	<u>Number of Branch Banks</u> <i>2/</i>	<u>Circulation</u>		
		<u>Amount</u>	<u>As percent of circu- lation plus deposits</u>	<u>As multiple of capital</u>
1859	8	\$ 106,798	31.2%	.50
1860	12	634,163	45.6	1.34
1861	14	652,406	34.5	1.06
1862	14	1,149,935	50.9	1.56
1863	14	1,416,811	42.2	1.46
1864	14	1,532,739	39.3	1.54
1865	15	1,439,764	33.6	1.37

^{1/} Preston, op. cit., pp. 119-20

Table 3

Circulation, Deposits and Specie, State Bank of Iowa, 1859-65 1/

<u>Year</u>	<u>Specie</u>	<u>Circulation</u>	<u>Deposits</u>	<u>Specie Circulation</u>	<u>As a percentage of circulation plus deposits</u>
1859	\$171,249	\$ 106,798	\$ 235,383	160.3%	50.0%
1860	284,432	634,163	757,543	223.0	20.4
1861	382,478	652,406	1,279,498	58.6	19.8
1862	659,378	1,149,935	1,110,453	57.3	29.2
1863	440,285	1,416,811	1,943,960	31.1	13.1
1864	418,710	1,532,739	2,362,426	27.3	10.7
1865	389,802	1,439,764	2,851,462	27.1	9.1

1. Preston, op. cit., pp. 119-20.

Table 24

Note Circulation, Branch Banks Comprising the
State Bank of Iowa, 1865 ^{1/}

Circulation, January 2, 1865				
<u>Bank</u>	<u>Total</u>	<u>As percent of total</u>	<u>As percent of deposits plus circulation</u>	<u>As multiple of capital</u>
← All Branch Banks (State Bank)	\$1,439,764	100.0%	33.6%	1.4
← Branch Banks located at:				
Burlington	266,940	18.5	32.6	1.8
Council Bluffs	97,904	6.8	63.1	2.0
Davenport	1,785	.1	.4	.03
Des Moines	140,035	9.7	62.7	1.8
Dubuque	283,837	19.7	44.0	1.9
Fort Madison	68,886	4.8	77.9	.9
Iowa City	32,276	2.3	13.1	.5
Keokuk	132,477	9.2	45.9	1.7
Lyons City	86,586	6.0	43.7	1.7
Maquoketa	30,640	2.1	29.5	1.2
McGregor	19,484	1.4	82.9	.4
Mt. Pleasant	90,390	6.3	29.8	1.8
Muscatine	64,390	4.5	24.4	1.1
Oskaloosa	81,131	5.6	55.8	1.6
Washington	43,003	3.0	13.0	.9

^{1/} Knox, John Jay, History of Banking in the United States (New York:
Bradford Rhodes, 1900), p. 772.

concentration of risk to the insurance system was surprisingly large. About one-fifth of the entire circulation of the State Bank in 1865 was attributed to the Branch Bank at Dubuque. Circulation of this bank plus the Branch Banks at Burlington and Des Moines was about one-half of total circulation although the banks constituted only one-fifth of the number of banks.

Financial History of the Insurance Fund

During the seven years in which Iowa's insurance plan was in operation no insured bank failed. Consequently the insurance fund was never called upon for any payments and, with the end of the State Bank in 1865, was liquidated and distributed among the stockholders of the various Branch Banks along with other assets.

At its peak in 1865 the insurance fund totaled \$308,906, at which time note circulation of the Branch Banks was almost \$1,500,000. Thus in the final year of its existence the fund was about one-fifth of its contingent liability. Between 1859 and 1865 it ranged from a low of 16.4 percent of total circulation to a high of 29.7 percent. Table 5 compares circulation and the insurance fund from 1859 to 1865.

On the basis of these figures the fund seems to have been more than adequate, particularly when its relative size is compared with that of other insurance funds established then or later by the States, or with that prevailing today under Federal deposit insurance. However, it must be remembered that this was not similar to other insurance funds (except Ohio's). In fact, all of the assets of insured banks were pledged for the redemption of the notes of a failing insured

bank and the insurance fund was simply made up of those assets which the banks agreed would be liquidated first in the event of such a failure.

The burden of the insurance fund must have been negligible. Since ownership of the fund remained with the Branch Banks, who received the interest secured from its investment, the fund could only have been burdensome insofar as an individual Branch Bank would have preferred to have a smaller proportion of its assets invested in Federal and State securities than was done for it through the insurance fund. That this proportion was excessive in the early years may be suggested by the fact that no Federal or State bonds are shown for the Branch Banks until 1863, although this may simply have meant that previously they were included with "other items".

Evidence that the Branch Banks did not consider their investment in the insurance fund burdensome is given by the fact that at all times they had a larger amount invested than the law required. It will be recalled that each Branch Bank was to deposit with the State Bank a sum equal to $12\frac{1}{2}$ percent of the circulation it originally received and that, as it received additional circulation, it would make further contributions to the fund of the same relative size. However, as shown in Table 5, the insurance fund was never less than 16 percent of actual circulation and in three of the seven years exceeded 20 percent of that item. On the other hand, the fund ranged, with the exception of the first year, from 11.4 to 15.0 percent of authorized circulation.

It may, of course, have been partially a matter of convenience to keep in the fund the entire amount which might eventually be called

Table 5

Circulation and Insurance Fund, State Bank of Iowa, 1859-65 ^{1/}

<u>Year</u>	<u>Circulation</u>		<u>Amount</u>	<u>Insurance Fund</u>	
	<u>Actual</u>	<u>Authorized</u> ^{2/}		<u>As percentage of actual circulation</u>	<u>As percentage of authorized circulation</u>
1859	\$ 106,798	\$ 431,100	\$ 31,680	29.7%	7.3%
1860	634,163	946,040	107,833	17.0	11.4
1861	652,406	1,228,260	140,418	21.5	11.4
1862	1,149,935	1,474,340	220,867	19.2	15.0
1863	1,416,811	1,938,640	238,900	16.9	12.0
1864	1,532,739	1,988,640	251,906	16.4	12.7
1865	1,439,764	2,071,400	308,906	21.5	14.9

^{1/} Preston, op. cit., pp. 119-20.

^{2/} For 1859-64 estimated by multiplying paid-in capital by 2; for 1865 estimated by applying to paid-in capital of each Branch Bank the multiple applicable under the law.

for rather than to continually adjust the amount as circulation was changed. Nevertheless, continued overinvestment in the fund, even to the extent of exceeding in a few years more than $12\frac{1}{2}$ percent of authorized circulation, strongly suggests that the Branch Banks were not disturbed by its existence.

Operation of the Insurance System

Appraisal of Supervision of the Insured Banks

NOTE: It is not considered practical at this time to attempt the writing of these sections. Some information bearing on both is in the Preston study previously cited. This includes a sketchy, and quite unsatisfactory, account of two instances in which a Branch Bank had to be assisted by the other Branch Banks (although apparently no financial assistance was required) and a few brief comments to the effect that supervision was both just and thorough.

However, there is reference to a manuscript volume entitled Record of the Board of Directors which apparently contains precisely the information required for both sections and which is located at the State Historical Society. Also, it appears that another manuscript volume entitled Record of Proceedings of the Branch of the State Bank of Iowa at Iowa City is located at the same place. These volumes, along with newspapers and whatever other records are available at the State Historical Society, must be examined before these sections can be written and before the other sections can be considered complete.

Appraisal of Iowa's Insurance System

From the point of view of protection provided the circulating medium in general and note-holders individually, Iowa's insurance plan was an unqualified success. The circulating medium was never diminished, nor did any holder of circulating notes suffer a loss, as a consequence of bank failure.

Since the Iowa plan was essentially one of mutual guaranty, the reasons for its success are similar to those advanced for the success of the Indiana plan. These reasons are discussed at length in the Indiana study and since they are also applicable here will not be repeated in detail. Briefly: the plan contributed to bank stability by making all insured banks liable for the failure of any one of their number and, at the same time, made it possible for each insured bank to keep close watch over its neighbors through the device of a supervisory board with substantial power consisting almost entirely of representatives from each of the insured banks. The plan resulted in a conservatively-managed banking system in which the supervisory authorities made full use of their broad power to guard against bank failures. Whether, at the same time, such a system adequately met the needs of the community for a circulating medium is an open question which will not be ~~discussed~~^{discussed} at this point.

Iowa's plan did enjoy one advantage over Indiana's in that it was adopted just following a serious financial crisis and operated in a period of war-time inflation in which specie payments were suspended for a number of years. However, the fact that both the Indiana

and Ohio plans operated successfully over longer spans of time, which included periods of depression, indicates that this may not have been a factor of major importance in the success of the Iowa plan.

Carter H. Golembe

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sembly, 1858.

Preliminary - 2nd Draft

Iacovani

~~GUARANTEE~~ OF BANK OBLIGATIONS IN IOWA,
1858-65

By

Carter H. Golembe

Signature of Person & State
Feb 11 1865
Date

WESTON BOND
FLUORESCENT

Iowa Bank Statistics Hofmann Bankers Almanac totals

			Circulation	Specie	Capital
p. XXIV	1851	16k			200000
p. XXIV	1852	"			200000
p. XXX	1852	"			200000
—	1854	—			—
—	1855	—			—
—	1856	—			—
—	1857	—			—
—	1858	—			—
p. 21	1859	8 br.			413100
p. 22 Dec '59	1860	12 "	480000	244000	727000
p. 37 Apr.	1861	14 "	627000	280000	845600
p. 20 Dec '61	1862	14 "	622000	372000	720890
p. 20 " 62	1863	14 "	1310000	560000	827220
p. 19 Dec '63	1864	14 "	1010000	560000	886280
p. 18 " 64	1865	15 "	1010000	560000	886280
p. 50	1866	—	—	—	—

Condition of Banks in Iowa, 1862-3
 Homans Bankers Almanac pp. 76, 80

	Jan. 1862 14 banks	Jan. 1863 14 banks
<u>Liabilities</u>		
Capital	720390	797970
Circulation	1,281,453	1,249,000
Deposits	809,387	1,287,273
Due to banks	47876	48603
Other liabilities	108422	121,225
Total		
<u>Resources</u>		
Loans	1,094,912	1,508,666
Stocks	219,723	226,350
Other investments	321,715	
Due from banks	334,186	490,657
Notes of banks	271,550	616,405
Specie	725,443	544,967

Capital, Circulation and Specie - p. 100

	Jan. 1862	Nov. Dec. 1862
Capital	720000	
Specie	725000	560000
Circulation	1,284,000	1,164,000

Paid by Branches to Stockholders ^Preston, p. 122

May 15 1861	Nov. 13 1861	May 14 1862	Nov. 12 1862	May 13 1863	Nov. 11 1863	May 11 1864	Nov. 16 1864	May 10 1865 2)
-	-	-	-	-	5	7	10	50
-	-	-	6	5	40	10	10	20
2	7	5	10	10	10	15	10	30
5	-	1	5	-	-	-	-	-
6	-	-	-	1	-	6	1	-
-	-	5	5	1	-	-	-	-
10	-	5	-	1	5	5	5	25
10	-	10	10	12	10	30	10	-
-	20	-	12.5	-	5	20	5	10
5	5	5	10	5	20	20	10	50
-	-	-	-	1	25	70	10	50
1	-	10	-	-	-	-	-	-
-	-	-	-	-	5	-	32	-
-	-	-	14.2	-	20	-	40	-
-	-	-	-	-	-	-	-	10

Dec. 7, 1863 Apr. 4, 1864 Jan. 2, 1865 Apr. 3, 1865

238900.00	251905.54	308905.54	338228.74
440285.22	418710.01	389802.11	151049.24
734056.02	1,050436.34	1,300481.76	811641.38
461196.11	708465.29	668511.81	541822.08
2123146.10	2241283.49	2468362.53	1,859368.89
423876.83	440836.89	361182.71	425504.37
104662.61	123824.50	122844.95	132537.99

4,526122.89 5,235462.06 5,620091.41 4,260152.69

969320.00	994320.00	1,048200.00	1,011000.00
1,416811.00	1,532739.00	1,439764.00	1,029526.00
51228.82	91161.73	34929.57	118714.94
1,943959.69	2,362426.00	2,851462.10	1,687791.73
144803.38	254815.33	245735.74	413120.02

4,526122.89 5,235462.06 5,620091.41 4,260152.69

State Bank of Iowa

Percent of Dividends

Branches	Date est.	Nov. 17 1859	May 16 1860	Nov. 14 1860
	Oct 9 1858			
Muscatine	"	6	—	—
Iowa City	"	5	5	9
Des Moines	"	7	7	7
Dubuque	"	6	5	5
Oskaaloosa	"	—	10	9
Mt. Pleasant	"	4	5	5
Keokuk	"	5	5	10
Davenport	"	8	4	12
Lyons City	2-17-59	—	—	—
Burlington	3-18-59	5	5	5
Washington	3-18-59	5	5	7.5
Fort Madison	8-11-59	—	—	10
McGregor	2-15-60	—	—	—
Council Bluffs	11-14-60	—	—	—
Maquoketa	2-10-64	—	—	—

1) Dividend not approved

2) Probably a distribution of the surplus fund
(p. 123)

Combined Statements of Branches of the

	Feb. 7, 1859	Feb. 6, 1860	Feb. 4, 1861	Jul. 7, 1862
<u>Assets</u>				
Safety Fund	31680.40	107832.71	140418.19	220867.27
Specie	171248.64	284431.98	382478.49	659377.86
Notes of other banks	82258.00	361658.00	546829.00	459894.00
Due from other banks	95365.59	266714.32	345689.04	527393.87
Loans and discounts	155414.49	822964.16	1,186869.93	1,175900.99
U.S. and State Bonds	—	—	—	—
Other items	27698.81	103001.91	96882.88	78544.57
Total assets	563665.93	1,945 ⁶⁶ 803.08 ^X	2,699 ⁷⁵³ 161.98 ^X	3,123978.56 [✓]
<u>Liabilities</u>				
Capital	215550.00	473020.00	614130.00	737170.00
Circulation	106798.00	634163.00	652406.00	1,149735.00
Due to other banks	—	32797.18	47855.61	23039.00
Deposits	235383.31	757542.76	1,279498.03	1,110453.33
Other items	5938.62	49080.14	105272.34	103381.23
Total liabilities	563665.93 ^{9X}	1,945 ⁶⁶ 863.08 ^X	2,699 ⁷⁵³ 161.98 [✓]	3,123978.56 [✓]

Checked copying by MC
Pencilled totals
are actual total of
items

1) Included United States Notes

~~Iowa~~

1858-66

H 2411 Auditor of State

I 8 A 2

~~Statement of Condition of incorporated banks
1895 - additions -~~

H 2611 or H 31

I 8 M 4 I 8

Vol 1, 2, #1

~~The Early History of banking in Iowa~~
~~by Fred D. Meritt -~~

~~Before 1846 ✓~~

~~1900~~

~~(Bulletin of State U. of Iowa - New Series #15-
bib. p 149-150 - Thesis - June, 1900 -)~~

~~Vol 2, #1 of the Studies in Sociology, economics, politics
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I 8 P 8

1922 a

~~History of banking in Iowa - by Howard B. Preston ✓
U. of Iowa Econ. his. Series - 1922
Thesis, 1920 -~~

~~Notes and references - p 383-430~~

Records of the Commissioners

MSS volume

Circulation Register of the Iowa City

Branch of the St Bk of Iowa

MS (State Hist. Soc. of Ia.)

Annals of Iowa (3rd Series) vol. V

State Bank of Iowa

Sherman's The Condition
and history of the
Statement 1859
1865

Record of Proceedings Branch of The State Bank
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Iowa - Books wanted

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1922a

Howard H. Preston History of Banking in Iowa
U. of Iowa Economic History Series
(Chapter VI - State Bank of Iowa
History - Combined Condition statements)

Capital of Banks in Iowa 1851-6

Homans' Bankers' Almanac.

	1851	1852	1853	1854	1855	1856	1857	1858	1859	Dec '59 1860	Apr 1861	Dec '61 1862	Dec '62 1863	Dec '63 1864	Dec '64 1865	1866
Branches of State Bank of Iowa																
Dubuque									60000	60000	60000	60000	60000	60000	60000	—
Davenport - Merchants Bk.									50600	50000	50600	45540	50600	50600	50600	—
Des Moines									50000	50000	50000	64000	77000	77000	77000	—
Iowa City									50000	26000	50000	48480	49400	49400	60000	—
Keokuk									52500	56000	100000	77500	80000	80000	80000	—
Mt. Pleasant									50000	50000	50000	46280	50000	50000	50000	—
Muscatine									50000	68000	68000	35850	41780	42280	42280	—
Oskaloosa									50000	50000	50000	50000	50000	50000	50000	—
Burlington									—	150000	150000	99800	130000	130000	130000	—
Fort Madison									—	67000	67000	67000	77000	77000	77000	—
Lyons									—	50000	50000	35000	45000	50000	50000	—
Washington									—	50000	50000	41440	41440	50000	50000	—
Council Bluffs									—	—	50000	25000	50000	100000	100000	—
McGregor									—	—	50000	25000	25000	50000	50000	—
Maquoketa - Farmers Branch Bank															50000	—
Other banks																
pxxiv Dubuque - Miners' Bank	200000	200000	200000	—	—	—	—	—	—	727000		720890	827220	886280	886280	—

Private Banks in Iowa, 1853-66
 Farmers Bankers Almanac, 1853-66

		Years listed																							
		1853	54	55	56	57	58	59	60	61	62	63	64	65	66										
Adell Albia Burlington	E. D. Smith					✓	✓	✓								Anamosa Windsor Co. Bellevue Hall & Stiles Bloomfield Ellis & Pollock Burlington Des Moines Co. Savings Bk	39 60 61 62 63 64 65 66	Wright & Hyman Hall, Chauncey John & Ellis	✓	✓	✓	✓	✓		
	N.W. Brown						✓	✓	✓	✓	✓	✓													
	S. W. Clark, Bro. & Co.	✓																							
	Coolbaugh & Brooks				✓	✓	✓	✓	✓																
	Green, Thomas & Co.		✓	✓	✓	✓	✓	✓	✓																
Camauche Cedar Falls Cedar Rapids	S. F. Peasley & Co.	✓	✓	✓	✓											Bloomfield John W. Ellis Bouaparte Week & Brother Bonsboro Smith & Black Charles A. Sherman									
	White, Cook & Co.				✓	✓	✓	✓																	
	Cook & Batten							✓	✓																
	Sauman, Hedges & Co.							✓	✓																
	Martin Dunning					✓	✓	✓	✓																
Cedar Falls Chariton Clinton Council Bluffs	Green, Weare & Co.					✓	✓	✓	✓							William F. Coan Baldwin & Dodge '64									
	Dodge, Co. & Co. '57																								
	Dodge & Wood				✓	✓	✓	✓	✓																
	Greene & Albear					✓	✓	✓	✓																
	Ward & Byron				✓																				
Cedar Falls Chariton Clinton Council Bluffs	William P. Case						✓	✓	✓	✓	✓	✓	✓	✓	✓	John D. Lockwood									
	Henn, Williams & Co.				✓	✓																			
	Chapman & Thorp																								
	Baldwin, Dodge & Co.																								
	Green, Weare & Benton				✓	✓	✓	✓	✓																
Columbus City Davenport	Henn, Williams, Hodges & Co.				✓	✓	✓	✓	✓							John L. Swift & Co.									
	Leonard & Everett					✓	✓	✓	✓																
	Clark, Coulton & Co.																								
	Allen Hill & Co. (Richard B. Hill '60)																								
	Blackmore & Lawer																								
Dubuque	Chubb, Brother, Banow & Co.				✓	✓	✓	✓	✓							John L. Swift & Co.									
	Cook and Sargent	✓	✓	✓	✓	✓	✓	✓	✓																
	Macklot & Corbin					✓	✓	✓	✓	✓	✓	✓	✓	✓											
	McGregor, Lawer & Blackmore																								
	Nichols Campbell & Co.					✓	✓	✓	✓																
Decorah	Tallman, Powers & McLean					✓	✓	✓	✓							De Witt Van Evera & Co.									
	Blackmore & Lawer																								
	Nichols, Sherman & Co.																								
	Dolan & Stump																								
	W. J. Barney & Co.		✓	✓	✓	✓	✓	✓	✓																
Decorah	Edwin C. Clarke					✓										De Witt Van Evera & Co.									
	Cook, Sargent & Co.	✓																							
	David Decker	✓																							
	Herron Brothers																								
	F. S. Jesup & Co.		✓	✓	✓	✓	✓	✓	✓																
Decorah	J. L. Langworthy & Bro.				✓	✓	✓	✓	✓							De Witt Van Evera & Co.									
	M. Mobley		✓	✓	✓	✓	✓	✓	✓																
	Taylor, Richards & Burden & Co.					✓	✓	✓	✓																
	Gecky, Winslow & Co.						✓	✓	✓																
	Redmond, Lovell & Co.						✓	✓	✓																
Decorah	Barney, Davies & Co.				✓	✓	✓	✓	✓							De Witt Van Evera & Co.									
	Greene, Weare & Haven				✓	✓	✓	✓	✓																
	Holdship & Co.				✓	✓	✓	✓	✓																
	Mobley & Son, 60				✓	✓	✓	✓	✓																
	Weiser & Albert																								
Decorah	Easton & Sandberg						✓	✓	✓							De Witt Van Evera & Co.									
	Green, Dakin & Co.							✓	✓																

Private Banks in Iowa, 1853-66 - 2.

		Years listed													
		1853	54	55	56	57	58	59	60	61	62	63	64	65	66
(Fort Des Moines)	B. F. Allen				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Cook, Sargent & Cook				✓	✓	✓	✓	✓						
	B. Rice & Co. '58				✓	✓	✓	✓	✓						
	Green, Ure & Rice				✓	✓	✓	✓	✓						
	Leas & Harsh					✓	✓								
	White & Smith '58					✓	✓								
	Macklot, Corbin & White				✓	✓	✓								
	Osborn & Co.				✓										
	Hoyt Sherman (& Co '58)				✓	✓	✓	✓	✓						
	Andrew J. Stevens & Co.	✓	✓	✓	✓	✓									
Fort Dodge	Callahan & Ingham						✓	✓	✓	✓	✓				
	Barney, Robb & Co.				✓									✓	✓
	Green, Ure & Co.				✓	✓	✓							✓	✓
	Hoyt Sherman & Co.					✓								✓	✓
	Williams, Henn & Co.				✓	✓	✓	✓							
	Wilson, McBan & Co.				✓	✓	✓								✓
	Samuel Rees & Co.						✓	✓							✓
	Knapp & Eaton				✓	✓	✓	✓	✓						✓
	D. Remick & Co.						✓								
	L. Nuckolls & Co.						✓	✓							
Fort Madison Greenwood Hawwood	W. H. Jones & Co. '51						✓	✓	✓						
	Smith, Jones & Myers						✓	✓	✓						
	Older, Lee & Co.						✓	✓							
	Brewer, Bemis & Roswell '58						✓	✓							
	Battle, White & Henshaw '59						✓	✓	✓						
	(Ransom Battle '63)						✓	✓	✓						
	W. H. Barber						✓								
	Cook, Sargent & Downey		✓	✓	✓	✓	✓	✓							
	Culbertson & Reno			✓	✓	✓	✓	✓	✓	✓					
	J. H. Lower, Brother & Co.					✓	✓	✓	✓	✓					
Independence	Green & Stone	✓	✓												
	Downey & Curtis									✓					
	George C. Anderson (& Co '58)		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	A. L. Deming & Co. '57				✓	✓									
	Chapin & Lee					✓	✓	✓							
	Tinkle & Lucas					✓	✓	✓							
	Ford, Gorham & Ford					✓	✓	✓							
	Hatch & Thompson					✓	✓	✓							
	Charles Parsons	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
	H. K. Love & Co. '60						✓	✓	✓	✓	✓	✓	✓	✓	✓
Keokuk	Riv. Kendall & Hale						✓	✓	✓	✓	✓	✓	✓	✓	✓
	William Thompson & Co.							✓	✓	✓	✓	✓	✓	✓	✓
	J. E. Neal (J. E. Neal '61)					✓				✓	✓	✓	✓	✓	✓
	George W. Gray						✓	✓	✓	✓	✓	✓	✓	✓	✓
	Fish, Goodale & Lee					✓									
	Davenport, Rogers & Co.							✓	✓						
	Randall '58							✓	✓						
	James, Taylor & Co.							✓	✓						
	Ficke & Boyd							✓	✓						
	O. McMahon & Evans							✓	✓	✓	✓	✓	✓	✓	✓
Laurens	Root, Brothers & Co.				✓	✓	✓	✓	✓						
	Greene, Dekins & Co.							✓							
Lisbon															

Private Banks in Iowa, 1853-66 - 3.

		Years Listed																			
		1853	54	55	56	57	58	59	60	61	62	63	64	65	66	61	62	63	64	65	66
Maquoketa	Jonas Clark					✓	✓														
	Shwader & Durham					✓	✓	✓	✓	✓	✓	✓	✓	✓							
Mechanicsville	Greene, Dakin & Co							✓													
Marion	Greene, Weare & Graves					✓	✓	✓	✓												
McGregor	(Landing) Lee & Kinnaird					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
	H. S. Granger & Co.						✓	✓													
Mount Pleasant	W. P. Brayton & Co.				✓	✓															
	Craig & Bentley				✓	✓	✓														
	A. & W. A. Saunders					✓	✓	✓	✓	✓	✓										
	Clark & Whiting					✓	✓	✓	✓	✓	✓										
	Barclay, Ogg & Sullivan					✓	✓	✓	✓	✓	✓	✓	✓								
Muscatine	J. W. Dutton & Co.				✓		✓	✓													
	Greene & Stone	✓	✓	✓	✓	✓	✓	✓	✓	✓											
	Issett & Brewster				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
Newton	Green, Dakin & Co							✓													
	Henry R. Collin									✓	✓	✓	✓								
Newton	P. E. Charreand					✓				John A. Wilson	✓	✓	✓								
	J. G. Meek & Co.					✓	✓	✓		✓	✓										
	Skiff & Co.					✓	✓	✓		✓	✓	✓	✓								
Ottumwa	Temple & Brother								✓	✓	✓	✓	✓								
Osage	Barney, Davies & Co.					✓				✓	✓	✓	✓								
	Greene, Weare & Graves					✓			J. H. Brush & Co.	✓		✓		✓	✓						
	Holdship & Co.					✓															
	Weiser & Filbert					✓															
	Jacob H. Brush & Co.						✓				✓		✓								
Oskaloosa	Smith & Williams				✓	✓	✓	✓													
	John White & Co.					✓	✓	✓													
Pella	John Noller (Scholte, Nollen & Bouquet '61)						✓	✓	✓	✓	✓										
St. Charles	Ferguson & Eastman							✓													
Tabula	Hall & Stiles						✓	✓													
Sioux City	Bigelow & White					✓	✓	✓	✓	✓	✓										
	Greene, Weare, Graves & Co.					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
	Hean, Williams, Cook & Co.					✓	✓	✓	✓												
	Henry Jackson Campbell					✓	✓	✓	✓												
	Gold & Hodges						✓	✓		✓	✓										
	Cassady & Clark						✓	✓		✓	✓										
	Culver & Betts						✓	✓													
Tipton	William H. Tutthill					✓	✓	✓	✓	✓	✓	✓		✓	✓						
Vinton	Greene & Co. '58																				
	Greene, Weare & Wain																				
	Douglas & Watson																				
Waterloo	Hammond & Leavitt					✓	✓	✓	✓	✓	✓	✓		✓	✓						
	Hoford & Miller '58					✓	✓	✓		✓											
	M. H. Moore & Russell '58					✓	✓	✓													
	John H. Leavitt					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
Washington	Patterson, Schofield & Jenkins																				
Wapello	Bird, Brown & Co					✓				✓	✓	✓	✓	✓	✓						
Winterset	West, Vanter & West					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
	H. J. B. Cummings									✓	✓	✓	✓	✓	✓						
	Leonard & Holt																				

Private Banks in Iowa, 1853-66

		Years listed									
		1858	59	60	61	62	63	64	65	66	
Cedar Rapids	Elihu Baker & Co	✓	✓		✓						
	Carpenter, Schwaner & Co	✓			✓	✓	✓	✓	✓	✓	
	Weare, Carpenter & Co		✓	✓							
	S. C. Bever & Son						✓	✓			
Chautau	Temple & Bro.	✓	✓	✓							
	Brauner & Brauer (J. Brauner '62)				✓	✓	✓	✓			
Clinton	Greene (Weare), Dakin & Co	✓	✓	✓	✓						
	Budd & Baldwin (Eli B. Budd '63)			✓	✓	✓	✓				
Council Bluffs	H. C. Hull & Co	✓	✓	✓							
	Officer & Pusey		✓	✓	✓	✓	✓	✓	✓	✓	
	B. R. Pegram & Co	✓	✓								
	Cassady & Teat		✓	✓							
Dubuque	Finley, Burke & Co	✓									
	George S. Forbert	✓									
	Marshall (Dawson) & Co	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	J. K. Haug & Co		✓	✓							
Dyersville	Randall Bros	✓									
	German Savings Bank										
Fairfield	Henn. (Williams) & Co	✓	✓	✓	✓	✓					
	McConnell & Co.		✓	✓							
	Samuel C. Farmer						✓	✓	✓		
	Charles A. (Meritt) Sherman & Co		✓	✓	✓	✓					
Fort Dodge	McBane & Marlatt		✓	✓	✓	✓	✓	✓			
	Robert H. Wilson & Co		✓	✓							
	L. L. Pease				✓						
	Samuel Rees & Co				✓	✓	✓				
Grinnell	Thomas Holyske & Co				✓	✓	✓	✓	✓	✓	
	L. F. Wanser				✓	✓	✓	✓	✓	✓	
Jama	Finnie & Pierce					✓	✓	✓			
	T. E. & H. Widden					✓	✓	✓			
Jewett City	Means & Allison (Co '59)	✓	✓								
	Moore & Clapp	✓	✓								
	George Weare		✓	✓							
	John H. Charles			✓							
St. Paul	Parker Paine					✓					
Waukon	Walter DeLafield			✓							
Waverly	Johnson & Leavitt Co '66								✓	✓	

"A few banks incorporated under general incorporation laws" ?

1919 Rand McNally - Iowa

Organization dates of banks

Decorah	Winnebago County State Bank	1855
Denison	First National Bank	1856
Dubuque	Pioneer Trust & Savings Bank	1863
Jefferson	Greene County Savings Bank	1866
Lansing	State Bank of Lansing	1859
Leon	Farmers & Traders State Bank	1856
Marion	First National Bank	1861
Marshalltown	First National Bank	1860
Mt. Pleasant	First National Bank (not successor to br. - Nat'l State Bank "founded 1858")	1846
Muscatine	Hershey State Bank (not successor to br.)	1850
Osawa	First Trust & Savings Bank	1858
Ridgeway	First State Bank	1855
Waterloo	Leavitt & Johnson National Bank	1856
	" " Trust Company	
Clarinda	Page County State Bank	1866
Council Bluffs	Council Bluffs Savings Bank (may be br.)	1856

Homan & Sharp's Bankers' Directories

State Bank of Iowa - Success Preston pp. 1234

- I Ability to make satisfactory returns to owners
 - Compares favorably with Indiana + Ohio
 - Contrast to \$500,000 loss in State Bank of Illinois
- II Service in supplying satisfactory currency
 - Uniform - redeemable at par in legal tender funds
- III Ability to keep out of politics
- IV Financial service in Civil War

Redemption of notes in Greenbacks - Committee, 1862 Iowa

2-3-62 Specie reserve \$754,412

Circulation 1,111,908

" held by bks 140,000

Redemption in Treasury notes would ~~not~~ be considered
act of insolvency - Bank defended charges
against branches

State bank notes accepted as legal tender for ^{State} taxes, etc.
Redemption after Nat'l Banking Act

Nov. 18 64 - Capital \$1,031,925

Circulation 1,428,432

Final date of Redemption Nov. 14, 1867

State Bank of Iowa - State funds deposited

Nov. 7, 1859	\$10,035.58
" 4, 1861	9,984.84
" 2, 1863	14,604.82

Biennial Reports of Auditor of State

Preston, p. 109

State Bank of Iowa - Supervision of Branches

Muscatine examined 1-5-60

Member of Exec. Committee made director

Lost to S.H. but not depositors or note holders - eventually paid dis.

Fort Madison examined 5-14-63

Proposed that State Bank take charge of assets

Cashier deposited \$120,000 with Pres. - returned a year later

1859 - May - advised them to keep N.Y. & Boston acc'ts with reg. note & bks

- Ordered to close Chicago accounts with Solomon Sturges & Son

8-16-60 Required to report am't of overdrafts monthly

State Bank of Iowa - Applications for
Branches not granted by Board of Commissioners

Clinton

Sioux City (2)

Davenport (by Macklot)

Ginnell

Wapello

Keokuk - Southern

Camanche

Pacific City

Waterloo

Muscataine (J. Green)

by Board of Directors

Cedar Rapids - too large prop. of stock owned outside locality

Cedar Falls - "doubtful expediency"

State Bank of Iowa - Preston

Note issue

Safety fund - Money or bonds (market value) $12\frac{1}{2}\%$ circulation
Operating fund to be used to redeem notes if branch failed -
No other part of fund could be used for other liab.
Solvent branches made up rest of losses
President could require deposit of additional security
if its bonds declined so that interests of Bank required it
After Civil War, would not receive bonds of Southern States

On first \$100,000 capital paid in, could issue notes	2X amount
" 2nd "	" 1 $\frac{3}{4}$ "
3rd "	" 1 $\frac{1}{2}$ "

Specie reserve of 25% against circulation
Failure to redeem notes promptly in specie was act of insolvency
Safety fund would be reimbursed from assets
Not more than 10% of am't could be in \$1 notes

State Bank of Iowa - Preston Regulations

Private Ownership

Branches mutually responsible

Board of Bank Commissioners - 10 members

Federation of institutions, each with capital,
stockholders, directors, corporate charter

Board of Directors - from each branch & 3 from State

Applications of new branches, note issue, examinations
monthly statements

Maximum of 30 branches - no more than 1 in a town

\$50,000 capital stock per br. - - \$6,000,000 aggregate

Double Liability

Could not buy each others stock, own stock

25% specie reserve against deposits & 25% against circulation

Monthly reports of condition must be published

Interest on loans 10% to 1-1-63, then 8% limited to 4 months

● Iowa - History of Banking in Iowa by Howard H. Pierson

p. 82 No banks established under the free banking law of 1858 - too stringent

Capital minimum \$50,000 - double liability

25% reserve against deposit

Notes secured by stocks - Issue 10% less than market value of securities

were preferred to other liabilities in event of insolvency

p. 92 Some private banks survived panic of 1857
200 in state in 1875 - supplied long term credit

Iowa.

Banking in Iowa, 1914-1916, by Fred L. Garlock
Thesis Columbia U. 1930

Iowa, Banking, 1916-1927, by Richard H. Garlock
Thesis, Columbia U. 1930.

Iowa Banking, in Minnesota - by Buford Monroe Gile
Thesis, Columbia U. accepted 1926

The Greenback Movement with Especial Reference
to Wisconsin and Iowa, by Clyde Orval Ruggles
Harvard, 1911.

Tall C.

Circulation and Deposits of Branch Banks, 1859, 1864

Banks grouped by size

1859					1864				
Percentage distribution circ. & deposits					Percentage distribution circ. & deposits				
No. Branch Bks.	Ci. plus dep.	Circulation	Deposits		No. Branch Bks.	Ci. plus dep.	Circulation	Deposits	
All Branch Banks:	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	100.0%	
Branch Banks with circulation plus deposits of:									
Less than \$100,000	52.3	40.2	42.8	31.1	13.3	2.6	6.1	1.8	
\$100,000 - 199,999	33.4	36.3	33.6	40.3	26.7	14.0	20.6	10.7	
200,000 - 399,999	8.3	23.0	17.6	28.6	4.0	32.7	34.9	40.6	
400,000 - 799,999					13.3	25.7	19.8	28.7	
800,000 and over					6.7	19.0	18.6	19.2	

A Distribution of Iowa Branch Banks by Size[✓], 1858-1864
(general figures)

	1858 (Jan 3-1857)	1859 (Jan 2, 1860)	1860 (Feb 7, 1861)	1862 (Dec 1)	1863 (Jan 13, 1864)	1864 (Jan 2, 1864)
Number of branches	6	12	14	14	14	15
Number of branches with dep plus circulation of:						
Less than 100,000	6	7	4	2		2
100,000 - 199,999		4	8	9	8	4
200,000 - 299,999		1	2	2	3	6
400,000 - 799,999				1	3	2
800,000 and over						1

Source: Iowa City Republican, selected dates 1859-65

✓ Size refers to combination of circulation, ^{individual} deposits + due other banks

Types of Obligations, State Bank of Iowa, 1858-1864
(General figures.)

Year	No of banks	Total Obligations	Circulation	Deposits			Other items
				Total	Due banks	Individual deposits	
1858	6	110003	5031	103013	474	102539	1959
1859	12	1347129	668254	636782	18625	618157	42093
1860	14	2235139	701826	1377050	47559	1329491	156263
1861 ✓	—	—	—	—	—	—	—
1862	14	2706100	1248999	1335876	48603	1287273	121225
1863	14	3829790	1525835	2139722	42638	2097090	164427
1864	15	4571889	1439764	2886390	84929	2851461	245735

✓ not available