

Mark L. Staker

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RAISING MONEY IN RIGHTEOUSNESS: OLIVER COWDERY AS BANKER

ON Sunday, March 27, 1836, the Latter-day Saints in Kirtland, Ohio, dedicated their impressive temple for use. “I canot Begin to Discribe the Buty of this Fine Bilding,” raved Clarissa Bicknell Orton.¹ When they first planned it, some leaders argued they could only afford to build their temple out of logs. A year before its completion, members expected “the whole cost, when finished, will probably be from twenty to thirty thousand” dollars.² By the time they finished the temple, it had probably cost forty thousand dollars or more.³ Members and their friends donated substantial resources toward the building—clearly paying for most costs—although the Church still had some modest debts from building it as well as from printing the scriptures, land purchases, and other activities.⁴ Two days after the last dedicatory

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service, Oliver Cowdery met with other members of Frederick G. Williams & Co., a business organized to finance some of their activities, and sought “to devise ways & means to discharge the debts.”⁵ Before the meeting ended, they reorganized and partially divided company stock with William W. Phelps and John Whitmer, who were then released from the firm.

Company members Joseph Smith and Oliver were appointed as “a board or committee whose duty it shall be to raise all the money they can in righteousness for the mutual benefit of the said company or firm” to redeem Zion.⁶ At the same time, Frederick G. Williams and Sidney Rigdon, the two remaining members, were made debt collectors to bring in “outstanding claims of the firm and such other means as they may deem most proper to discharge the company debts.”⁷ They set out on that same day to help raise this money by asking members personally for contributions. Despite recent generous donations given at the temple dedication, their requests met with immediate success. “As soon as the above plan was settled, he [Joseph] and O. Cowdery set out together, and their success was such in one half day, as to give them pleasing anticipations.”⁸

Following initial optimism, however, donations did not come from everyone who could give. During May and June, this led to a series of cases brought primarily by Oliver Cowdery before Kirtland’s high council, where the stingy were confronted for not helping their own families, the poor, and the Church in general. In one case brought forward by Joseph, Bishop Newel K. Whitney noted that not bearing one’s portion of the burden of helping the poor was a complaint “pretty general in the Church.”⁹ Several individuals at the meeting noted in various ways that they “could more easily get two dollars from a poor man than one from the rich” to help build the kingdom.¹⁰ As these cases continued,

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perhaps in response to such attitudes, Church leaders opened several stores to bring in additional income rather than just seek donations. To open these enterprises, Hyrum Smith and Bishop Whitney bought goods on credit from merchants in Buffalo, New York, worth somewhere between twenty and forty thousand dollars—doubling or tripling their debt.¹¹ Leaders also bought more land on credit. It was these actions rather than temple construction costs that created a large debt burden bringing them “in debt for their farms and for goods bought in New York.”¹² Joseph opened a store in Kirtland with part of the goods, and he, Oliver, and others opened another in neighboring Chester with the rest.¹³

Even with the recent acquisition of substantial debt, as June arrived, finances looked good for the Latter-day Saints. As a community, they owned large tracts of surveyed and subdivided land, significant equity in the most impressive building in the region, and substantial stores of commodities worth much more in booming Ohio than their initial cost in New York. Their well-timed expansion came during a sharp rise in economic growth in Ohio prompted by the recent completion of major elements of the state’s canal system. During this growth, Ohio’s citizens noted a spirit of speculation as enterprises of all sorts sprang up along the canals, all around Cleveland, and throughout the Western Reserve—particularly along the shores of Lake Erie. This enthusiasm for expanding markets was part of a national trend, but it especially took root in western states, where heavy immigration attracted investors who outbid each other to get additional property on credit. This spurred a lending boom.

Although only the U.S. Congress could direct the printing of money, businesses of all varieties made loans based on banknotes they printed and used much like promissory notes.¹⁴ Banks became the principal force behind issuing and circulating these

notes even though they were not the only originating institutions. Bank deposits did not earn direct interest as they would later, but economists at the time encouraged people to deposit their money in banks as a means of fostering saving in a protected environment.¹⁵ In addition to serving as deposit institutions, typical banks printed and distributed banknotes as a means of providing loans to the community by “discounting” them (lending less to the borrower than was owed at the end of the loan period). Each banknote represented debt owed by a borrower to a financial institution that was financed through company stock.

Banks were not the only institutions to issue banknotes; other businesses from libraries to flour mills issued notes, typically discounted at much higher rates since they were more difficult to trade and redeem. Businesses often issued notes without a charter from the state legislature authorizing them to do so; but if they had a state charter, their notes were backed by government assurances of their character, and notes of chartered institutions circulated more readily than those of unchartered ones. Notes of chartered institutions were also partially regulated by state government and evaluated in trade sections of major newspapers. Thus, chartered institutions could loan larger amounts than their nonchartered competitors and loan at better discounts. This enabled them to make more money. In addition, as 1837 opened, the federal government was on the verge of returning millions of dollars in excess revenue to the states that they were expected to invest in local growth through chartered banks.

Businesses issuing banknotes made most of their money from these notes by discounting them, but they could also make money as borrowers spent the notes and drove up prices, fostering an increase in the value of their assets, particularly increases in property values that sometimes provided collateral for loans.

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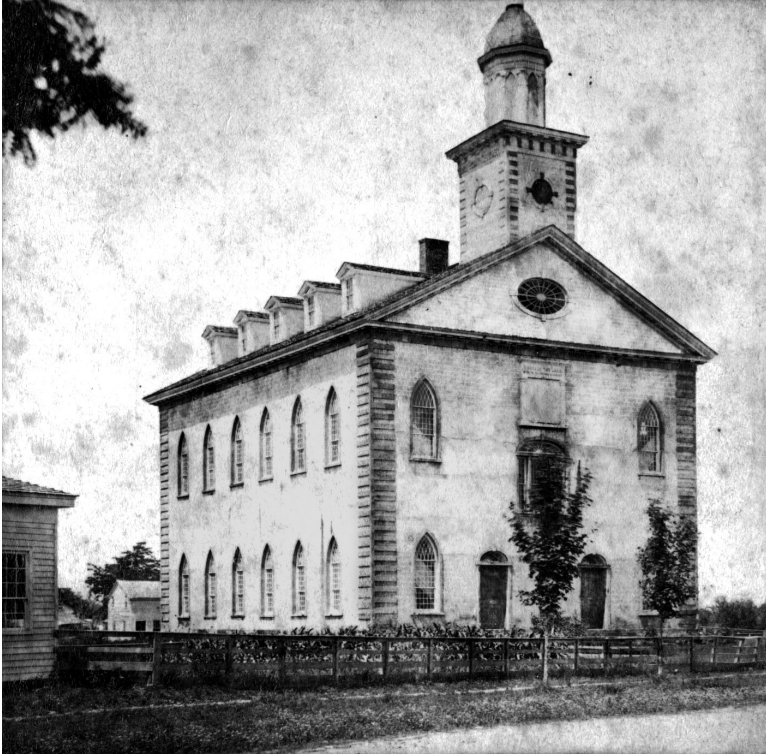
In a speculative environment, banknotes became a useful engine of industrial growth. Because of this, even businesses chartered for other activities could not resist getting in on lending opportunities. In northeastern Ohio, as growth continued unabated, “some companies were chartered by the legislature for manufacturing and mercantile purposes and proceeded to flood the country with their notes and others issued them in quantity without any charter.”¹⁶

Most of these institutions “were born of speculation” and arose principally to promote development by “speculations in Western lands” and in imagined cities

which had no existence except as traced on paper or elaborate maps. The streets were generally laid out at right angles, and of liberal width. Corner lots were regarded as exceedingly desirable, and were estimated, bought, and sold at fabulous prices. . . . The craze grew in intensity, and many banks exhausted their entire capital in loans to influential land-speculators. Stringency in the money-market followed, yet speculation ran wild. Corner lots in imaginary cities continued to advance. A single fifty-dollar bill, which had been marked, was known to have been the identical first payment made in the purchase of some dozens of unimproved city lots by different individuals in Ohio City within the course of a single month. In fact, the one fifty dollar bill became about as well known to the citizens as the town pump or church-steeple.¹⁷

This widespread optimism took hold in Kirtland as well. “At this time the spirit of speculation in lands and property of all kinds, which was so prevalent throughout the whole nation, was taking deep root in the Church.”¹⁸ However, the Latter-day Saints also stood in a good position to take advantage of the

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In this photograph, the Kirtland Temple (ca. 1870) is shown with crops growing neatly around it. Immediately behind the temple showing to its left is the Johnson and Boynton store, partially visible on the north side of Whitney Street. Directly across the street to the south of the store stood Oliver Cowdery's early office, partially visible in the photograph. In the far left of the image, the corner of Oliver Cowdery's 1840s law office is also partially visible. (Courtesy of Church History Library)

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growing interest in land because, in the spirit of gathering, a number of those coming to Ohio's Western Reserve were newly converted members.

Imagined growth included plans for an expanded city.¹⁹ More settlers would buy all the property for sale and support numerous businesses, including the recently opened Church stores in Kirtland and Chester that were then competing against private interests.²⁰ The most significant merchandising effort began almost directly across the street from Oliver's office on Whitney Street; Lyman Johnson and John Boynton opened a store on this prime real estate and borrowed twenty thousand dollars from Church members in Boston, enough to pay off most of the remaining Church debts if used for that purpose instead. Orson Pratt began selling iron stoves in Boynton, and Johnson & Co. and others were drawn to their efforts as well. A drop in salaries and heavy demands on income accompanied rising local competition.²¹ "The Saints were very poor. Many of the Elders had been absent on Missions. Had spent their time [preaching] and their families in their absence had consumed their substance and money was very scarce."²² Members increasingly bought on credit. Brigham Young, for example, owed money on a pair of "panterloons" (trousers) at a local shop.²³

As they expanded market activities, members of the Church also became interested in investing in lands as a speculative venture. Lyman Johnson and John Boynton again seemed to lead out in these efforts with part of the twenty thousand dollars they borrowed from Polly Voce and other Boston members. Along with opening a store, they purchased large tracts of land on credit and divided the land into smaller lots to sell to new residents.²⁴ This local rise in speculative ventures became obvious to everyone within the community. Ebenezer Robinson left on a mission

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June 2, 1836, and returned by the first week of July to find that in the five-week period “a great change had taken place in the Church, especially with many of its leading official members. A spirit of speculation was poured out.” He continued, “Some farms [in Kirtland Township] adjacent to Kirtland [Flats] were purchased by some of the heads of the Church, mostly on credit, and laid out into city lots, until a large city was laid out on paper, and the price of the lots put up to an unreasonable amount, ranging from \$100 to \$200 each, according to location.”²⁵ Lyman Johnson and John Boynton had purchased on credit a large tract of land north of the flats and sold lots to incoming members but had not yet paid for the land.

Shortly after this, as they searched for means to pay their debts, Oliver Cowdery left with Joseph Smith and others on July 25 for Salem, Massachusetts, in search of money a member claimed was abandoned in a house. While there, Joseph Smith received a revelation: “Concern not yourselves about your debts, for I will give you power to pay them” (D&C 111:5). It was during this journey, perhaps after receiving this revelation, that these men first seriously entertained the idea of establishing a bank to raise money.²⁶

Joseph Smith played a key role in these deliberations. “The prophet had conceived a plan of instituting a Bank, with a view of relieving their financial embarrassments.”²⁷ Their relief from debt was not to come directly through transferring loans to the bank. It would come through fostering land development, enabling them to earn their way out of debt. In addition, the shift from trying to earn income through merchandizing—which because of the poor circumstances of the gathering members and increased competition did not seem to work—to earning money through land investment seems to have been emphasized

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specifically to help meet the needs of the poor. Church leaders had already purchased property from Peter French that would serve as the center for their planned city. But they anticipated a need for additional property as the gathering Saints were also buying land elsewhere. Oliver later published meeting minutes produced under Joseph's direction that noted those who came to Kirtland with their families were "crowding in upon us, and are compelled to purchase [land] at any rate; and consequently are thrown into the hands of speculators, and extortioners."²⁸ Leaders announced, "Our houses are all full, and our lands mostly occupied, except those houses that do not belong to the Church, which cannot be obtained without great sacrifice."²⁹ The need to acquire land in Zion, which included Kirtland as its easternmost border, took precedence over paying for debts as leaders moved more actively into real estate investment.

In addition to a desire to protect members from outside speculators, there also seems to have been interest in protecting them from becoming caught up in greed. "We were grieved to see the spirit of speculation that was prevailing in the Church; trade and traffic seemed to engross the time and attention of the Saints."³⁰ Within this setting, Church leaders decided to establish an institution "organized, with a view to controlling the prevailing sentiment and directing it in legitimate channels."³¹ Although it is not clear at what point on their journey to Salem their decision became solidified, Joseph Smith, Oliver Cowdery, and others returned from Massachusetts with a clear sense of direction.³² On September 13, 1836, either the day they returned to Kirtland or the day after, the firm of Smith, Rigdon, and Cowdery acquired thirty-nine acres of farmland from Hiram Dayton as the first of a sustained series of investments.³³ William Draper bought thirteen and one-quarter acres from Dayton at the same time and

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immediately sold the land to Joseph Smith the next day.³⁴ These initial purchases were all apparently made with cash. Soon additional investments required credit.

The stores operated by Church leaders had not done as well as expected. Tight resources in Kirtland may have made it difficult for those who received store credit to pay. “‘Well,’ says Joseph,” as Brigham Young later related it, “‘these goods will make the people apostatize; so over they go; they are of less value than the people.’ . . . In this way it is easy for us to trade away a first-rate store of goods, and be in debt for them.”³⁵ His use of the words “trade away” to describe what happened to the store goods may not have referred to the practice of giving credit to poor members as much as it reflected the manner in which the Church withdrew from merchandizing. Joseph traded ten thousand dollars in store goods as a down payment to buy David Holbrook’s farm at four hundred dollars an acre.³⁶ He gave more than seven thousand dollars in merchandise to Jacob Bump as a down payment for over one thousand acres of his Kirtland property. The bulk of the store goods may have gone to Bump, in fact.³⁷ The Kirtland store closed, while the Chester store continued for another year, taxed for twenty-five hundred dollars in goods. It may have done reasonably well because it competed only against Austin Turner’s smaller Chester store, while Joseph’s Kirtland store competed against at least four enterprises operated by Church members and several additional shops run by nonmembers.³⁸

After they traded their goods for land, they were not only in debt for those goods but Oliver and his companions continued to buy land on credit.³⁹ Because some of these purchases were not recorded in the land deed records, it is not clear how many were made. Known purchases suggest large tracts were bought for substantial sums. Church leaders returned to Peter French, who

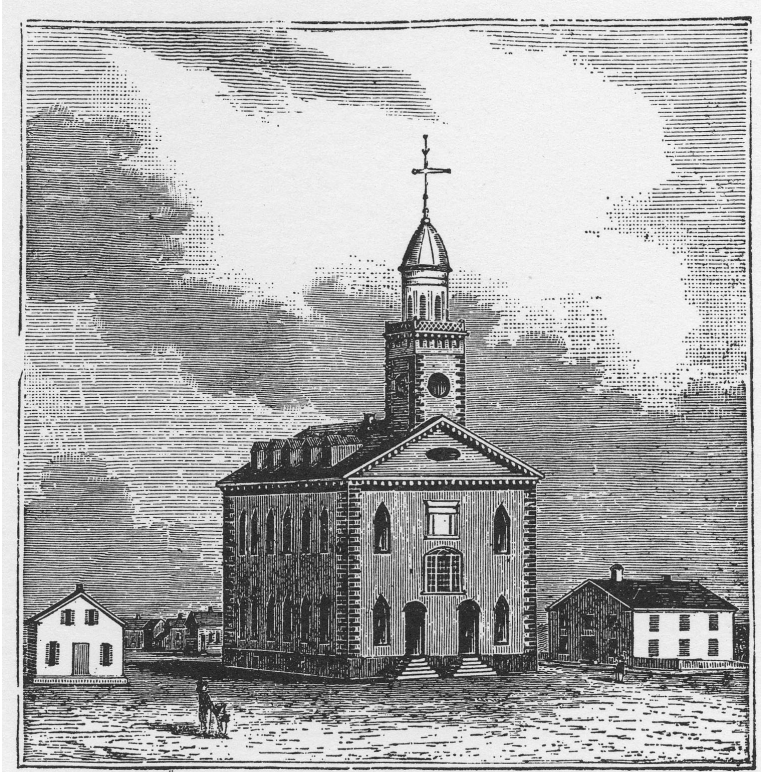
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had sold them a large piece of land more than three years earlier, and bought an additional large tract on credit for \$11,777.50.⁴⁰ The first ten days in October marked a significant period of debt acquisition, when leaders purchased over \$36,595.70 in property on credit.⁴¹

Although these investments may have already been funded by member investments, the earliest documentation of such member support is five days after these purchases, when Brigham Young entered into his account book, "Oct. 15 [1836] B. Young paid to the Bank this day \$150 cents in silver."⁴² Three days after this, on October 18, the Kirtland Safety Society began selling stock, with Sidney Rigdon listed as the first subscriber.

From the outset, it appears the Kirtland Safety Society was intended to be an egalitarian bank designed to include a wider income range than typical. Most institutions only wanted those financially well off as stockholders, and they shaped the price of their stock accordingly (usually selling shares for as much as four hundred dollars each with installments running from twenty-five to one hundred dollars each). The Kirtland enterprise sold stock at fifty dollars a share, which could be bought in modest installments apparently set at twenty-six cents each. On paper, bank organizers required that "all persons subscribing stock in said firm shall pay their first installment at the time of subscribing," and dividends were set for distribution every six months "according to the installments . . . paid in," allowing investors to pay more as their circumstances allowed.⁴³ The stock ledger indicates some investors paid in more than their first installment (and were later refunded the extra amount).⁴⁴ It also shows that some leniency was given to those who could not quite pay the first installment, resulting in a few individuals paying very little down on their shares.⁴⁵ The egalitarian nature of the enterprise created an

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Henry Howe, Del. 1846.

W. E. Morrison & Co., Printers.

When Henry Howe published this lithograph of Kirtland in 1846, he identified the two-story structure to the left, situated south of the temple, as the “old banking house.” This may have been the same building that Wilford Woodruff in 1837 called the Kirtland Deposit Office, out of which the Kirtland Safety Society managed its operations. However, this building stood for many decades further south of its location in the lithograph, so this image may have been adjusted for effect. (Henry Howe, Historical Collection, 1847)

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unusual bank with subscribers including men and women, black and white, Mormon and non-Mormon, merchant and farmer, old and young, wealthy and poor.

By the end of October, an initial thirty-six subscribers served as the core group of investors and as a whole contributed over four thousand dollars to the institution. On November 2, 1836, the “brethren at Kirtland,” which may have been officially designated Church leaders, formally gathered to form “a banking institution, to be called the ‘Kirtland Safety Society.’”⁴⁶ The bank was to have thirty-two directors. Although the names of most of these directors are not known, the thirty-six men and women who were the initial subscribers may have overlapped this group in some way.⁴⁷

This egalitarian approach to management again differed from most institutions, which were usually controlled by fewer than half a dozen individuals. But the Kirtland Safety Society also had a smaller group that followed the typical management model consisting of six individuals as a “committee of the directors” that included a president, a cashier, and a chief clerk. This smaller group included Sidney Rigdon, Joseph Smith Jr., Frederick G. Williams, Reynolds Cahoon, David Whitmer, and Oliver Cowdery. From this committee the directors elected Sidney Rigdon to serve as bank president and Joseph Smith to serve as cashier. Frederick G. Williams appears to have served as the first chief clerk, although Warren Parrish would later become a director and fill that position.

The bank directors’ plans included capitalizing the enterprise to the amount of four million dollars. Although this was excessive for typical banks, which capitalized between one and three hundred thousand dollars, it was a conservative figure for banks that supported railroad or canal construction, which typically capitalized at between four and six million dollars.

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Bank investors funded construction of a story-and-a-half “deposit office” with a basement designed to store large amounts of coin.⁴⁸ Wilford Woodruff took a tour of the bank on November 25, 1836, after arriving in Kirtland in a hard snowstorm, which suggests that the building was completed fairly quickly. At the meeting of bank organizers, they elected to purchase a Delano hobnail safe for just over two hundred and fifty dollars to hold printing plates, banknotes, and probably the stock ledger and discount book that kept track of loans. They ordered printing plates “at a great expense” to produce their banknotes. This expense of several thousand dollars required purchase on credit.⁴⁹ Because decisions about using color or black inks and about using professional banknote printers or simply printing at home could impact the cost of the transaction considerably, a printer was a good choice for following through on the acquisition of printing plates. Bank officials selected Oliver Cowdery to do this.

Cowdery perhaps should have been selected to handle the second major assignment to come out of the meeting—getting a bank charter approved.⁵⁰ He had been to the Democrats’ convention in Columbus and was a personal friend of influential party members. Instead, bank investors gave Orson Hyde that task. Orson was one of the few members of the Whig Party in Kirtland, and all three members of the legislature representing their county were also Whigs. Orson had little exposure to bank plans, having only briefly met with other Church leaders in New York on their way to Massachusetts. He had only recently returned from a mission and was not an investor in the bank nor involved in any way in its business. He had interests elsewhere, having turned his attention to helping Jacob Bump take his recently acquired store merchandise and shape it into a mercantile operation.⁵¹ Hyde also had no political experience.

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If Oliver Cowdery had gone to a Cincinnati banknote company, he could still have made it to nearby Columbus in time for the opening session of the state legislature on December 5 and taken care of both tasks.⁵² Instead, he looked east to New York, where the banknote printing firm of Underwood, Bald, Spencer, and Hufty had an office. He may have selected them since these skilled printers were noted for making bills difficult to counterfeit.⁵³ It is more likely, however, that he had already arranged to buy printing plates in New York while traveling to Massachusetts earlier, since less than two weeks after he formally received his task, a traveler going through Kirtland wrote a letter from Munson, Ohio, dated November 14, noting, "They have procured plates from New York, for issuing Bank notes; they previously issued notes payable in 30 days after demanded."⁵⁴

Banks at that time were "the pioneers in big business in Ohio," and even politicians who opposed some form of banking in principle acknowledged that they were necessary in limited contexts.⁵⁵ Whigs and Democrats alike believed they were important for creating jobs.⁵⁶ Although many Democrats tended to be antibank in principal, particularly Oliver Cowdery's political associates in Ohio, they recognized that banks had benefits locally.⁵⁷ Even those politicians opposed to banking were generally not such hard-liners that they could not be bribed or induced to support the institution of a friend when it proved convenient.⁵⁸ However, garnering support and creating alliances took months of preparation. If Orson Hyde had arrived at the beginning of the legislative session in December, he would have had considerable work ahead of him to get a petition for a bank charter in Kirtland very far through the process. Those bank charters that passed through that year's session had broad support from various districts and dedicated support from at least a few legislators.

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This one-dollar Kirtland Safety Society note in the collection of Newell Harward was issued to Orson Hyde on January 4, 1837, the first day banknotes were signed, in preparation for a January 9, 1837, opening. Hyde initially borrowed money for his business on December 5, 1836, but this note suggests he continued to borrow money and that if he went to the state legislature in Columbus, Ohio, at all during its session, he left quickly and was not there when most of the banking legislation was discussed. (Photograph courtesy of Robin Jensen)

Hyde, however, was still in Kirtland on December 5, 1836, as the session opened when (apparently assuming the Kirtland Bank would not open soon enough to lend him money) he borrowed \$850 with partners to get his business going.⁵⁹ Jacob and Samuel Medary, Oliver Cowdery's political associates in the Democratic Party, reported on the formation in both the House and the Senate of banking committees to handle all charter proposals during the first weeks of December.⁶⁰ Orson Hyde not only missed that critical period, but he was still in Kirtland on January 4, 1837, when he borrowed still more money for his business from the Safety Society that was about to open.

A proposal for a Kirtland Safety Society bank charter never even made it to a committee during December 1836.⁶¹ If someone from Kirtland had made it to Columbus during December, instead of finding elected representatives ready to help him he

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would have found his county's politicians with different priorities—priorities perhaps directly in opposition to the Safety Society administration's plans.

On December 20, Geauga County Representative Seabury Ford introduced for the county's first reading a bill on behalf of the Ohio Rail Road Company, headquartered in Painesville. This company anticipated a successful hearing and began issuing banknotes in the greater Kirtland area a few weeks later before it had an approved charter. Ford followed this by introducing a supplementary bill for the company, clearly giving it all the support he could. He effectively worked this bill through the system so that by December 29, the entire House of Representatives as "committee of the whole" considered the bill for its second reading and approved it to the Senate for its third reading.⁶² If they approved the final wording of the bill, it would then be enacted into law, not only giving the institution legal support for the banknotes it was issuing, but, perhaps more importantly in the eyes of Kirtland leaders, authorizing a company to build a railroad that Kirtland's officials had hoped they could construct. News of this approval may have reached Kirtland by the end of the year.

Representative Ford's activities in the legislature that December would be a distinct concern for the Latter-day Saints in Kirtland. Ford sat on Geauga County Agricultural Society's board along with Senator Ralph Granger, newspaper publisher Eber D. Howe (who would shape public opinion), published anti-Mormon Josiah Jones, and industrialist Grandison Newell.⁶³ (Representative Rockwell did not sit on the board but later became a trustee of the Western Reserve Teaching Seminary housed in the Kirtland Temple, directly benefiting from Kirtland's banking troubles.) This board held a remarkable list of opponents to Kirtland's business interests. The most vocal opponent to Kirtland's banking

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interests over the next few months was Grandison Newell. Newell, an industrialist with business interests in northern Kirtland, Painesville, and the rest of the county, had a chair factory that had been hurt by Mormon competition.⁶⁴ He and his partners in the Fairport and Wellsville Railroad Company obtained a charter in 1836 with \$274,800 in stock subscriptions. Newell did business with the county's other two legislators, Senator Ralph Granger and Representative Timothy Rockwell, maintaining close financial ties with every member of Geauga County's political team.

In addition, Newell was one of the Bank of Geauga's founders and a member of its board of directors.⁶⁵ The Bank of Geauga was established in 1829 as the sole bank in the county but had recently built a large new brick building in the summer of 1836 on the corner of Main Street and Park in Painesville, expecting to expand operations through railroad growth in the state.⁶⁶

Representative Ford was successful in the legislative session during December in promoting a rail line connected to Grandison Newell: the Painesville and Fairport Railroad. The legislature chartered Newell's railroad in January and gave it some state money in March as part of the Loan Law (later vilified as the "Plunder Law") that put state money into private businesses that most (including Newell's) never repaid. It was not Ford, however, but Senator Granger who pushed the Bank of Geauga bill through the legislature during its annual session. Newell was in Columbus during the session, suggesting he may have played a role behind the scenes in getting his charter through.⁶⁷

As the standing committee on banks released its report during the last week of December, every newspaper reader in the state knew the Bank of Geauga had only sixty-seven thousand dollars in capital—by far the least amount of any authorized bank in the state when most institutions averaged several hundred thousand

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dollars.⁶⁸ Senator Granger presented a petition on January 3, 1837, from the stockholders of the Bank of Geauga for an alteration of its charter. He managed to get the petition referred to himself as a committee of one to prepare a bill to go before the Senate.

Although the details of Granger's proposal are not known, this move in the Senate was clearly not good news for Kirtland's banking hopes. When Kirtland's Latter-day Saints talked of all other financial institutions being "laid in ruins" in coming economic troubles, they principally had the Bank of Geauga in mind because that was the bank distributing the money used not only in Kirtland and the surrounding area but throughout the larger region. Citizens fifty-three miles to the south of Kirtland started the Cuyahoga Falls Real Estate Association that winter (without seeking a charter) and issued banknotes in January 1837 specifically to free themselves from reliance on Bank of Geauga notes.⁶⁹

In addition to low capitalization, the Bank of Geauga likely did not have the typical 10 percent gold and silver reserves backing its notes. In January 1834, when the region enjoyed a real boom in growth and rising prosperity, a creditor came to the Bank of Geauga presenting five hundred dollars in bills and asked to exchange them for specie (coin). The cashier closed the bank doors because he did not have five hundred dollars in specie.⁷⁰ Although the institution recovered by the fall of 1834, New York financiers backed out of the more than 50 percent controlling interest they had, and Newell and other local investors were left to purchase their stock, taking on the whole burden of the bank's success with no outside influx in capital.⁷¹ The recent construction of a new building would have drawn from the bank's cash reserves.

It is not clear what Latter-day Saints believed or understood about the likelihood of getting a charter when they received news of Senator Granger's support for Newell and the Bank of Geauga.

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However, news of his proposal presumably traveled back to Kirtland since, as it made its way to the floor of the senate, it was accompanied by a flurry of activity in Kirtland as bank leaders sought to reorganize their institution to function without a charter.

Since the legislature was still in session, there was still a possibility that the proposal for a Kirtland Safety Society could make it to the floor for discussion sometime early in 1837. However, for some reason the Kirtland institution's directors felt they could not wait for the chartering process to work its way through. Even though pressing debt may have been a factor, it is unlikely that this was the only motivation for the brief series of events that followed, because even by the accounts of their opponents, the institution had enough money on hand when starting that its officials could have met creditors' immediate demands.⁷² Besides, over the next few months a focused attempt to acquire additional land instead of paying off debt suggests that other issues were at play. The news that came from the floor of the legislature to Kirtland must have been unexpected, because it created an immediate response. It was not simply that the Ohio Rail Road Company would start issuing banknotes out of Painesville (which it did), because others in the region were doing the same thing. The Ohio Land Company (headquartered in Medina) used real estate as capital, backing the banknotes it distributed at the same time in the region south of nearby Cleveland. The Commercial Bank of Lake Erie and the Western Reserve Real Estate Association stationed in Cleveland issued banknotes in 1837.⁷³ Banks in Massillon and Sandusky borrowed money from New York financiers and opened their doors in early 1837, without approved bank charters.⁷⁴ The Cincinnati and Whitewater Canal Company issued scrip on January 2, 1837, without a bank charter and used their notes to pay contractors and workers on

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their canal. The Rolling Mill Company in Massillon managed to obtain an “extremely liberal” charter that allowed them to raise six hundred thousand dollars in capital stock with the “power to do anything but a banking business.” This did not keep them from issuing a prodigious number of banknotes backed by their grain reserves.⁷⁵

The unexpected news that came from Columbus during the legislative session most likely had something to do with Senator Granger’s activities in relation to the Ohio Rail Road Company for which he introduced legislation the last week of December, but it may have also been a response to his legislation on behalf of the Bank of Geauga. Although there were laws in place since 1816 restricting banking activities without a charter, there appears to have been some uncertainty as to what types of financial activities could take place outside of strictly banking charters, and only a few members of the legislature meekly raised concerns about these largely ignored laws. In fact, when bank charters became an issue in Geauga County, a local Democratic newspaper explained the law to its readers and noted it was “doubted, however, by good judges, whether the law to which we have alluded is now in force, or if in force, whether it is not unconstitutional, and therefore not binding upon the people.”⁷⁶ The paper then discussed banks in terms of the Democratic Party’s concepts of rights. There was enough uncertainty as to whether these laws still applied with widespread lack of enforcement that Ralph Granger raised the issue on the Senate floor in Columbus.

Not only did Granger come out supporting Bank of Geauga legislation, but on December 29 he introduced a motion that the judiciary committee “be instructed [by the Senate] to enquire whether any, and if any what alteration is necessary in the law prohibiting the issuing and circulation of unauthorized bank

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paper.”⁷⁷ His raising the specter of legal action against “unauthorized bank paper” may have initiated concerns in Kirtland. Before this, the laws were so completely ignored that when a disgruntled debtor brought charges for operating without a charter against the president and cashier of the Farmers’ Bank of Canton, the Canton community was outraged, and the jury that heard the case “returned a verdict of not guilty, without even the formality of retiring to make up their verdict.”⁷⁸

Kirtland Safety Society officials were more cautious about the uncertainties of law than were bank officials in Canton, and on Monday, January 2, 1837, members of the Kirtland Safety Society met and voted unanimously to revise their constitution. They changed their articles of agreement, transforming themselves from a bank into a financial corporation, presumably believing this would allow them to avoid the charter issue. They changed the name of the institution to the Kirtland Safety Society Anti-Banking Company, although private journals, letters, and historical memory still knew the firm as simply the Kirtland Safety Society.⁷⁹ Officials also voted to add a statement in the fourteenth article of agreement (an idea promoted in Representative Kelly and Senator Crouse’s banking reform bill, which at that moment was before the Senate) to hold themselves personally bound for the redemption of all notes issued from their institution, taking away the benefits of incorporation. This made it virtually impossible for the institution as a whole to defraud anyone. It also made it less likely that one member of the Safety Society would attempt to defraud others since that member’s actions would do significant harm to all company members. This approach required that each member care deeply about every other member of the firm.

A shift from seeking to operate as a chartered bank to functioning instead as one of the many unchartered corporations in

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the area appears to have been viewed as only a temporary solution. Acting without a charter made the millions of dollars in federal monies then being disbursed to banks across the country inaccessible to the Safety Society.⁸⁰ An 1834 law stated that unincorporated banks lending money could not collect their debts. Although this law was not widely known until the Kirtland Safety Society was in full operation and was apparently not enforced, any hint of impropriety made a financial institution less stable and easily destroyed through innuendo or blatant false accusations. Safety Society officials clearly expected to get a charter soon.

The decision of Oliver Cowdery and his companions to open their institution without a charter is one of many puzzles in the institution's brief history. It may have been an attempt to meet the legislature's requirement that a proposed bank show it could operate effectively before getting charter approval. It may have been a hasty attempt to provide recent immigrants a means of purchasing farms and establishing themselves in the community. Many of these immigrants were living in wagon boxes and make-shift structures. Granger's attempt to pass legislation on behalf of the Ohio Rail Road Company likely played a significant role in instigating a quick opening.

In addition to remaining questions as to why the bank opened before a charter was in place is the unexpected decision of Kirtland Safety Society officials to do business with the Bank of Geauga. On the same day as their restructuring meeting, Safety Society officials went to Painesville as the Bank of Geauga opened for the new year and took out a three-thousand-dollar loan for a three-month period, apparently at 6 percent annual interest. There are no clear explanations for this. Why would a financial institution with thousands of dollars in hard currency in its vault go to another institution rather than draw from its own financial

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reserves? Why would a financial institution poised to issue its own banknotes the following day not just use its own notes to meet whatever needs it had? Why did they go to the Bank of Geauga rather than another institution in Cleveland or Buffalo, where Church leaders had connections and clear support from other banks? Although there are no easy answers, the timing of the loan and Granger's petition in the Senate the very next day, January 3, requesting modifications to the Bank of Geauga's charter, are likely more than coincidental. The loan may have been an attempt to placate Bank of Geauga directors by indicating Kirtland officials were willing to work with and pay interest to the Painesville bank.⁸¹ Kirtland's leaders may have assumed the Bank of Geauga would accept Safety Society notes the following day in payment, serving to distribute the notes more widely. They were wrong. When the Bank of Geauga did not accept them, the bank's depositors refused them as well.⁸² Whatever the reasons for getting the loan, it added one more way that the Bank of Geauga was able to influence its new rival and tip the outcome of the experience.

On January 3, Frederick G. Williams consolidated financial records and transferred debts from a "Ledger A" and a "Ledger B" into a single book that may have been his personal ledger but also included debits and credits under an entry for "Bank," which, because of the dates and associated notations, was clearly the Kirtland Safety Society. Oliver Cowdery carried over from "Ledger A" a debt of \$24.19 that on January 3 was adjusted to \$35.83 as he apparently continued to borrow. Most other debts were small, although a few were close to a hundred dollars. Two debtors, however, stood out from the rest. Warren Parrish owed \$3,359.⁸³ Williams noted he owed the bank thirty-six hundred dollars. In return, the bank owed Williams two dollars by January 7, likely his dollar-a-day director's salary, marking an official beginning of his salary on

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January 5. It also owed him two dollars for one day's labor, probably for the time he spent signing banknotes on January 4.

After extensive signing and dating of notes by banking officials, by Friday, January 6, the Kirtland Safety Society was ready for the Monday grand opening.⁸⁴ Even on that day, there still seemed to be a little uncertainty that opening the institution was a good idea.⁸⁵ Bank officials distributed most of the first issue of banknotes shortly after opening their doors. Banks issued banknotes in the process of making loans, exchanging one asset for another. The borrower would then spend the notes on whatever he wished, knowing he would have to pay the loan back in thirty days (sometimes sixty or one hundred ten days, depending on the bank and how frequently the loan could be renewed). Issue dates on Kirtland banknotes indicate they were loaned on a thirty-day cycle. Good banks carefully watched how much money they loaned because they knew that a certain amount would come back as people requested coin to pay taxes, purchase federal lands, travel, or meet some other need for legal tender. They usually kept some coin in their vaults for these kinds of requests, ranging from a high of 30 percent of their demand liabilities (deposits and banknotes) to a low of less than 5 percent.⁸⁶

Kirtland immediately created the jobs expected. Brigham Young finally had work and hired others. In a few weeks he bought a \$125 horse and a small quantity of lumber.⁸⁷ Jonathan Dunham's wage jumped from 75¢ to \$1.25 a day, just two days before the formal agreement establishing the Kirtland Safety Society was signed. Then, the day the institution was formally established, salaries jumped again to \$1.50 per day, where they continued for a brief time.⁸⁸ On January 11, the Steam Mill Company purchased files from N. K. Whitney & Co. to sharpen saw blades and began a regular purchase of canvas, lead and other plumbing

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materials for its pipes, and additional equipment as it expanded its business and hired sawyers, lathe operators, glaziers, and other craftsmen.⁸⁹

Meanwhile, Grandison Newell moved to stop the Safety Society. He boasted “at length” through the years of “how he [had] ‘run the Mormons out of the county.’”⁹⁰ Other locals accepted his view and later credited him with single-handedly driving the Latter-day Saints out of Ohio. A friend of his noted, “Mr. Newell . . . fought them hard. It was more on account of his opposition than any one thing, that forced the Mormons to leave Kirtland.”⁹¹ Without overstating Newell’s claim to credit for the Kirtland Safety Society’s downfall, he clearly played a pivotal role in influencing others.⁹² James Thompson, an employee of Newell, remembered that his boss began as soon as the Safety Society opened to “drive about the country and buy up all the Mormon money possible, and the next morning go to the bank and obtain the specie.”⁹³ Thompson believed this action alone single-handedly closed the doors of the Safety Society.⁹⁴ In addition to Newell’s personal efforts, however, the Bank of Geauga immediately refused acceptance of the Kirtland notes. The *Painesville Telegraph*, which had supported other troubled banks in the past, cited the precedence of the Bank of Geauga when it noted that businesses in the region also refused Kirtland’s banknotes. The rejection of the notes by Painesville’s bank was followed by other more distant institutions refusing them, which “operated . . . to destroy the currency of these bills with men of business who had [to] deal with the banks,” because if they accepted the notes they had no way of passing them along.⁹⁵

I. P. Axtell, Esq., the son of a Painesville Baptist minister who had considerable interaction with Kirtland, was not a Latter-day Saint but watched their efforts and later became a bank director himself. He concluded that the Latter-day Saints “went into the

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banking business as a great many others in the State of Ohio and other states. They got considerable money out at first, and their enemies began to circulate all manner of stories against them. . . . The people began to get alarmed at so many stories, and would take other banks' issue instead of the Kirtland; and so much of it was forced in at once that the bank was not able to take it up. Had the people left these Saints alone there is no reason that I know of why the Kirtland Bank should not have existed . . . on as stable a basis as other banks."⁹⁶ The Kirtland Safety Society's troubles did not rest solely on unfounded rumor and innuendo, however; additional factors also came in to play.

Initially undaunted, Kirtland Safety Society leaders moved forward as soon as they opened for business and moved aggressively into the real estate market.

When the Bank first began to issue its currency, Br. Joseph, the Prophet[,] proposed to Br. Brigham and and [*sic*] Br Hyrum, that they should commence buying farms[,] The first one that was purchased, was from a Mr Stannard, a farmer who lived on the edge of the town of Chester. This purchase was made by Joseph and Brigham. The Prophet paid over to this Mr. Stannard \$2000 ⁰⁰/₁₀₀ from the Bank, and they gave a Mortgage and their Notes for semi-annual payments [at regular future dates], until all the purchase money was paid over. They took possession of the premises and all the personal property thereon, such as horses and colts; cows and calves; work oxen and farming utensils; hay and grain that was in the barn. . . . This process was followed by many of his brethren and friends who made purchases of property round about Kirtland and the adjoining towns. Brigham and Hyrum made a number of purchases after this took place; as also the

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Prophet's brother Samuel purchased a farm in Mentor. He also paid \$2000 ⁰⁰/₁₀₀ for it from the Bank; and this was followed up by a good many purchases by the brethren who lived in Kirtland.⁹⁷

Because these mortgages were never paid off and never entered into the county deed book, it is not clear how much additional debt came because of them, but debt clearly continued to climb substantially from what they started with in the early summer of 1836.

Over the next six weeks, the institution encountered many challenges, but a continued lack of a charter appears to have troubled Safety Society leaders most. However, outsiders readily acknowledged that the lack of a charter did not shape their negative response as much as did their opposition to Mormonism. "We do not object to private or company banking, as a system," the editor to the *Cleveland Daily Gazette* responded two days after Kirtland money first arrived in his community, "but we consider this whole affair a deception" that "seems to rest upon a spiritual basis."⁹⁸

Meanwhile, the quest for a charter continued as Kirtland Safety Society officials pushed to get one in two different ways, in both of which Oliver Cowdery appears to have played a role. The first attempt came to final resolution in February 1837.⁹⁹ On February 10, state senator David Crouse pushed a banking reform bill through both branches of the legislature.¹⁰⁰ At the end of the long list of proposed amendments to the reform bill, Samuel Medary, a Quaker and the Democratic senator who reported the minutes of the session, offered an amendment on behalf of Kirtland. Because Medary was one of the "most loyal friends and staunch supporters" of President Andrew Jackson, his editorial on national banking served as the foundation of Jackson's

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great veto message against the national bank, and Medary was fully supportive of federal attempts to control banking and the associated corruption that he believed were rampant within the system.¹⁰¹ The strong opposition to corruption in banking that Medary wrote into President Jackson's famous message did not mean he was opposed to beneficial community operations that fostered economic growth. Although opposing federal banking, he spoke several times in favor of local banks. His support for Kirtland apparently fit those sentiments as "Medary proposed an amendment incorporating the Kirtland Safety Society, in Geauga county, capital \$300,000."¹⁰² His support later hurt him politically.¹⁰³ Medary's proposed amendment to the banking reform bill to convey a charter for the Kirtland Safety Society failed by a vote of eleven to twenty-four, Senator Granger voting against it.¹⁰⁴

It is not clear why those opposed to banking corruption who were pushing for banking reform generally supported the Kirtland charter, while those who received money from the state for their own enterprises and never repaid it were widely opposed to the Kirtland Safety Society. Presumably those in favor of the institution saw something in the Kirtland effort that fit their desire to end corruption, but what they expected is one of the many still unexplained aspects of the Kirtland experience.

The inexperienced Granger and his companions from Geauga County were likely not able to pull together such a large opposition vote on their own. Just days before the charter proposal approached the senate floor, some newspapers reported that the Kirtland Safety Society refused to exchange specie for notes. It is difficult today to assess the accuracy of these reports because other newspapers vehemently denied them. Those claiming a bank closure seemed tentative in their assessment, such as the February 7, 1837, report in the *Western Reserve Chronicle* which placed the

suspension of specie on Saturday, February 4, but acknowledged that its information was based on rumor.

Financial records and subsequent transactions confirm that the Safety Society clearly had at least some specie still in its control shortly after these announcements, suggesting that the institution had not yet refused to redeem notes and that the rash accusations were intended to influence the outcome of the vote in the Senate. The *Painesville Republican* accused Servantes (Grandison Newell writing under a pseudonym) of trying to bias the public to “preclude the possibility of [Kirtland Safety Society officials] having a fair and impartial hearing” as the charter proposal made its way to the legislative floor.¹⁰⁵ In Canada an observer challenged the claims “respecting the failure of the ‘Mormon Bank’” and insisted, “The Bank has not refused to redeem its notes in specie up to the present time. . . . The Buffalo Star states ‘that the Bank redeems all its notes in specie’ and this is confirmed by the arrival of a gentleman this morning from Kirtland who has been an eye witness to the operations of the Bank from its formation.”¹⁰⁶ Although the ability to redeem Safety Society banknotes by the end of January is not clear, the validity of paper money of any kind has always been an act of faith. Newell’s organized mobbing and run on the bank was real, and even unfounded accusations that the Society had closed its doors would carry weight in the Ohio state legislature. Despite still having at least some resources available, Oliver Cowdery and his associates may have anticipated failure in their bid to get a charter as they began spreading tight resources thinner. On January 29, Cowdery spoke in the Kirtland Temple, followed by Joseph Smith, who promised the Saints that “if we would be faithful we should rise above our imbarresments & be delivered from the hands of our enemies.”¹⁰⁷ By this point in time, the Safety Society’s board of directors had apparently

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already begun looking for a way to counter the coordinated attack by their enemies.

Both Newel K. Whitney and Sidney Gilbert had lived and done business in Monroe, Michigan, on the shores of Lake Erie where a number of the community's most prominent citizens operated the chartered Bank of Monroe—including bank president Captain Henry Smith, who as a young lieutenant fought alongside army sutler Newel K. Whitney at the battle of Plattsburg. Kirtland's officials began looking to Monroe's best citizens as they sought a solution to the opposition to their charter proposal. The Bank of Monroe's charter could be used to support Kirtland's institution.

The day after Joseph's speech in the temple, promising that if they were faithful they could yet be delivered from their enemies, a newspaper in Cleveland reported that a then-unknown J. V. Ayer of Buffalo, New York, "and other gentlemen" had made arrangements to purchase controlling interest in the Bank of Monroe. Initial arrangements occurred at least a week before this announcement and may have preceded accusations of bank closure in Kirtland as the Safety Society's leaders anticipated trouble ahead. Although no one had yet purchased the Monroe bank, the newspaper noted that the Commercial Bank of Lake Erie and the Bank of Cleveland would accept Bank of Monroe notes.¹⁰⁸ This was strong local support for the institution. The virtually unknown John Varnum Ayer would only later become an influential railroad magnate and could not yet provide significant prestige to the bank while the Commercial Bank of Lake Erie had a solid record reporting \$387,400 in circulating banknotes and \$56,000 in specie in its vault.¹⁰⁹ The Bank of Cleveland began with \$300,000 in capital in 1834. These two financial powerhouses lent additional support to the Monroe bank.

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The day after this announcement, Kirtland leaders held another meeting in the temple on February 1, 1837. Joseph Smith and Sidney Rigdon spoke on the temporal business of the Church. Aware that a charter proposal was about to be brought forward in Columbus on February 10, they announced that they had “petitioned for a Charter to the Assembly of the State for the Kirtland Safety Society.” Apparently anticipating a negative outcome for that pending petition, however, they also announced their connection with “the Monroe Charter” from the Bank of Monroe in Michigan.¹¹⁰ Although Kirtland Safety Society officials still had not bought the charter, it appears that arrangements were under way in case the Kirtland charter proposal failed in the legislature. Wilford Woodruff, who did not know these details, assumed Kirtland leaders already had a charter from Michigan when he recorded the announcement in his journal.

On that same day J. V. Ayer traveled through Geauga County on his way to Monroe and announced his new connection with the Bank of Monroe.¹¹¹ His announcement may have expressed intention more than fact, however, as it is not clear if Ayer actually became involved with the bank. When asked in Cleveland if the Mormons were also connected with the bank, he denied it and gave no indication they may have talked together, may have been working together, or were competitors for a controlling interest. On that same day, leaders in Kirtland dissolved the firm of Oliver Cowdery & Co. “by mutual consent, and the entire establishment was transferred to Joseph Smith, Jun., and Sidney Rigdon.”¹¹² This change anticipated Oliver’s new role in their efforts to raise money in righteousness since Michigan laws required all bank directors to actually live in the state.

The Bank of Monroe had recently suffered a “groundless newspaper fabrication” accusing it of being unstable.¹¹³ It turned

out that the rumors were orchestrated by the *New York Herald* in conjunction with “the most unprincipled brokers in Wall street” to destroy the credit of banks in Michigan in an attempt to purchase their banknotes at a considerable discount and make huge profits as they exchanged them for coin in Monroe.¹¹⁴ This attempt failed as citizens in Monroe produced spontaneous affidavits supporting the bank, and travelers who had been through the area sent letters to New York papers confirming that they had been able to exchange notes for specie. The *New York Daily Advocate* noted, perhaps prematurely, that the malicious rumors were “wholly erased.”¹¹⁵ The officers of the Bank of Monroe issued a signed and notarized statement providing their readers a detailed assessment of their accounts as of August 24, 1836.¹¹⁶ It showed a modest institution with a solid financial base, having four-fifths of its stock controlled by New York investors.¹¹⁷ As the public brought the institution under more careful scrutiny, it was ultimately considered a “sound and highly respectable institution, whose operations are characterized by the most impartial, judicious and honorable administration.”¹¹⁸ However, in the world of banking, where reputation is everything, even unsubstantiated accusations can influence the flow of money over time. Several months later, as the balance of stock ownership changed hands, Henry Smith, former Monroe mayor, local superintendent of the Lake Works, and the bank’s president, found himself still assuring the public that his bank could redeem all its notes for coin.¹¹⁹

Monroe’s bank leaders all had solid reputations. Captain Henry Smith’s military connections continued to play a role in his business relationships. The board of directors included war veteran James Godfroy, who served a term as the local mayor. It also included military hero Laurent Durocher, a trader and

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entrepreneur who helped found Monroe and then served as postmaster, a territorial legislator, and a state senator. Directors James Q. Adams and George B. Harleston had also served as Monroe's mayors. Harleston became cashier July 27, 1836, to replace Mr. Brotherson, who resigned.¹²⁰ His reputation, along with that of Henry Smith, went a long way toward garnering local support. The last two directors, A. D. Frazer and Bailey G. Hathaway, served the community as local developers.

As Joseph Smith, Hyrum Smith, Oliver Cowdery, and other Kirtland Safety Society officials met in Monroe with the community's most distinguished citizens, it is unlikely they knew their bank charter proposal would be rejected in Ohio on the same day; however, it appears as though they expected that would be the eventual outcome. Even before the February 10 meeting, Kirtland's officials were already considered stockholders and may have already made some kind of commitment to Monroe.

During the meeting between Kirtland's leaders and Bank of Monroe officials, stockholders and the board of directors of Monroe's bank approved the withdrawal of Harleston as Monroe's bank cashier and his replacement by Bailey J. Hathaway. Then the gathering appointed Oliver Cowdery as a director and vice president of the Bank of Monroe to serve the remainder of the business year, which ended in July.¹²¹ The choice of title as vice president is an unusual one because banks typically operated with a president, cashier, clerk, and tellers. It seems to have created confusion among bank officials as to how the institution would be managed. As they finished restructuring the bank, its officials included Henry Smith retained as bank president and Hathaway as cashier. J. J. Godfroy, Laurent Durocher, and Bailey J. Hathaway continued as directors with Oliver Cowdery as the last director and the only Ohio voice on the board.¹²²

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On February 11, Kirtland officials gave the Bank of Monroe three thousand dollars in cash from “Cleveland d[ra]fts” as good as gold from the Bank of Cleveland. They added to this ninety-five dollars in gold coin, suggesting what others insisted: that the Kirtland institution still had specie in its coffers to redeem notes. Kirtland officials also received notes for \$12,000 from Hathaway and for \$8,026 from Henry Smith, perhaps as part investors in the reorganized Bank of Monroe. Three days later Sidney Rigdon paid \$200 in Monroe banknotes to the Kirtland Safety Society, and on February 18, Oliver Cowdery gave an additional \$5,600, bolstering the Safety Society’s reserves as the first round of loans would fall due and the institution would issue a second large batch of loans through banknotes.¹²³

Immediately on the heels of Kirtland’s connection with Monroe, newspapers announced the Latter-day Saints had a controlling



This two-dollar banknote was signed by Oliver Cowdery as president, suggesting he may have acted in that role briefly after Henry Smith resigned his position. However, it was issued to B. J. Hathaway, who signed as cashier, and dated September 1, 1836, before either Hathaway or Cowdery had connections with the bank, so it may have been dated long before it was issued. It is a reminder of the many puzzles that still remain in Monroe’s banking history. (Photograph courtesy of Church History Library)

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interest in the Bank of Monroe, information likely provided by Kirtland Safety Society officials interested in turning the tide of opposition against their institution.¹²⁴ Bad weather likely delayed the Latter-day Saint leaders briefly, but they were soon back on the road to Kirtland to try to bolster support there.¹²⁵

Joseph's presence back in Kirtland and the completion of the Monroe transaction helped calm some of those concerned, "for the complainers saw that he stood in the power of a Prophet."¹²⁶ When G. S. Pelton from Russell came to Kirtland to do business, he refused to take "Mormon money" but accepted four dollars in Bank of Monroe notes when offered.¹²⁷

Meanwhile, challenges surfaced for Oliver Cowdery in Monroe. On February 13, a few days after the acquisition was completed, the *Cleveland Daily Gazette*, which had previously so mercilessly attacked the Safety Society, announced that the Bank of Monroe had closed its doors and was no longer redeeming its notes. When Monroe bank officials learned of the accusations, they immediately wrote a response, insisting their institution had "never refused or declined to redeem its bills on demand."¹²⁸ As they found themselves again defending their reputation and handling requests to exchange notes, the bank announced that during their earlier February 10 meeting they had voted to expand their stock issue to five hundred thousand dollars and to require additional payments on capital stock of twenty-five dollars per share over a one-week period in April. These large installment payments were typical for other institutions, but the expanded stock offering suggests an interest in greatly increasing investment.

Perhaps it was the renewed attacks against the bank or differences in opinion between Henry Smith and Oliver Cowdery over this sharp request for money from shareholders, but in the next week's issue of the paper, Smith announced his resignation

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as bank director and president effective February 24.¹²⁹ Hathaway, as cashier, announced a meeting of the directors at the banking house on Saturday, March 4, presumably to respond to the resignation and determine what direction the bank should take, although this was also the day when Martin Van Buren succeeded Andrew Jackson as president, a good time to reevaluate any business's direction.

The Bank of Monroe survived the continued attacks and leadership turmoil, suggesting it was likely fundamentally a sound enterprise.¹³⁰ However, in the midst of these problems, it temporarily closed its doors.¹³¹ The *Painesville Telegraph* noted that the "Monroe Mormon Bank" closed "after having for its presiding officer about three weeks the wonderful and noted Oliver Cowdery." The editor mocked the bank statement's listing among its assets "plates" used for printing banknotes, asking, "Do these last items include the golden plates and silver spectacles through which [they] . . . manufactured a bible of 500 pages?"¹³²

Despite having a board of directors that included some of the best people Michigan had to offer, the bank continued to battle bad publicity. "One Who Knows," probably someone connected to the bank, wrote a letter to the editor explaining that the close of the bank was due to "a constant pressure, for several months, on the Institution, urged on by false reports, and cunning *shavers*."¹³³ This account placed troubles to a period before the Kirtland Safety Society's involvement in the institution, when the concerted effort to ruin the reputation of the bank by Buffalo newspapers and New York investors began. However, the letter does not explain the timing of the closure nor the fact that Monroe's other bank, the Bank of River Raisin, was forced at the same time to suspend specie payments for sixty days.¹³⁴

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The announced temporary closure must be considered in the context of other key events that took place at the same time. Perhaps the three most significant of these were (1) the nationwide panic of 1837 that started on February 13 in New York and led to the first bank closures in March; (2) Henry Smith's withdrawal from the bank followed by a stockholders' meeting the next week, twelve days before the announced closure; and (3) Michigan's passage of the nation's first free banking act on March 15, 1837, the day before the announced closure.

Scholars still debate the parameters and implications of the panic of 1837 and its associated bank collapses, but they agree that Andrew Jackson's "Specie Circular" played a central role.¹³⁵ President Jackson vowed to do something to change the trend of speculation by requiring that all federal lands be purchased with specie. However, his policies led to a shift of hard currency away from financial centers in New York, Philadelphia, and Baltimore toward rural communities in Ohio and Michigan.¹³⁶ Specie in Michigan rose from \$112,419 in 1835 to \$172,071 in 1836, peaking at \$564,275 in 1837 before falling to \$123,635 by 1841.¹³⁷ This need for specie derived from continued speculation in land. The previous fall, Monroe's newspaper noted there was "something wrong" as it reported that the Merchants' Exchange Bank in New York refused to give out coin when asked, but gave one requester notes from the two banks in Monroe instead and asked him to go to Monroe to get the money, which he did.¹³⁸

In February, interest rates on typical monthly loans stood at 2 percent—to carry a loan for a year would cost 24 percent, a hefty rate for America's many debtors.¹³⁹ On February 13, 1837, a mob in New York City stormed Eli Hart's flour warehouse protesting rising prices, marking the beginning of a panic. The looting of food warehouses spread and continued into March.

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As Monroe's bank officials met March 4, 1837, inflation was at its highest. British banks demanded that U.S. merchants pay large remittances in specie, creating cash imbalances that contributed to a 50 percent decline in cotton prices and triggered further economic decline. This led to falling stock values, a credit crisis, and a banking collapse.

Leading up to this crisis, the federal government found itself with a surplus of money and decided to return it to the states to spend. The government distributed the first installment of this surplus on January 2, 1837, withdrawing nine million dollars from eastern banks and distributing that gold and silver across the country. This left insufficient coin in eastern banks. Although most banks in Ohio hoped to benefit from this large influx of money (perhaps including the Kirtland Safety Society, which may have rushed its opening that week, hoping to take advantage of the windfall that never materialized), the Ohio legislature authorized the city of Cincinnati to borrow six hundred thousand dollars and subscribe two hundred thousand dollars each to the Little Miami Railroad Company, the Louisville, Cincinnati, and Charleston Railroad Company, and the Whitewater Canal. This shifted economic activity even further west.

Ohio was not equipped to respond effectively to the growing financial crisis. On March 24 of that year, the Ohio legislature passed the Plunder Law, which looked much like institutionalized bribery, allowing private canal and railroad companies to give stock in their institutions to state officials in exchange for up to one-third of their authorized capital in state monies.¹⁴⁰ Six railroads, two canals, and twenty-six turnpikes received money through this arrangement, including Grandison Newell's railroad company. Newell never repaid the money. In fact, only one business, the Little Miami Railroad Company, repaid the state its

debts in full. Four days later the Ohio legislature distributed two million dollars of the state's share of the federal surplus to counties to loan out to banks and internal improvement companies; however, most of the money was loaned to individuals. If Kirtland had hoped to benefit from this windfall, it never happened.

Meanwhile, in Michigan an increasing need for specie seemed almost imperceptible at first, but as speculation by New York investors grew out of control, the need for hard cash became acute. This continued to the point that by June, Monroe's community brought in fifty thousand dollars of specie, announcing that another fifty thousand would arrive that same week. Yet even that dramatic influx hardly seemed to make a difference.¹⁴¹ Most of the hard currency went to the Bank of Michigan, which was handling federal land acquisitions, and the draw on coin pulled money from local banks as Monroe's own population sought opportunity to speculate in land acquisitions.

An explanation of the Bank of Monroe's closure offered by "One Who Knows" suggests that a shortage of gold and silver coin in the bank's vaults played a role. Although the previous bank cashier, the debt-ridden George Harleston, was clearly involved in speculation and had purchased large tracts of land, it may not have been banking officials using specie to buy federal lands but their clients caught up in the investment fervor that led to trouble. As investors sought to draw hard cash for their land deals, the Bank of Monroe continued to get bad publicity from newspapers in Ohio, which served to increase the drain of precious metals from the bank's vault.

In the midst of this economic turmoil, Michigan reformed its banking laws by passing the nation's first free banking act. This act eventually completely transformed American banking as one state after another adopted a free banking policy, a transformation

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This ten-dollar note was part of the second major issue of banknotes which came out in March 1837. It was later reused in Utah with the signatures of Brigham Young and Heber C. Kimball, obliterating Sidney Rigdon's name but leaving Joseph Smith's signature intact. (Courtesy of Church History Library)

that would eventually lead to the modern banking system.¹⁴² In the beginning, however, Michigan began its deregulation without proper oversight, and fifty-five new unchartered banks sprang up almost overnight—many acting irresponsibly. The reform did away with the need to obtain a charter from the legislature.¹⁴³ The day after the reform measure passed, the Bank of Monroe announced a temporary sixty-day closure. If a bank refused to redeem its notes for specie, the new regulations required that its doors be permanently closed.¹⁴⁴ However, there was leeway for those banks that closed before the new law went into effect, which may have encouraged a preemptive closure by existing institutions. After this temporary protective period, the Bank of Monroe and its neighbors reopened as planned.

Most of the loans issued by the Bank of Monroe were to “sundry individuals” in New York City and Buffalo. Monroe’s published bank statement indicates that in addition to the \$52,219.19

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in discounted bills it held (banknotes from other institutions in the East it acquired at a discounted rate in Michigan to exchange at the originating institution at par value), other institutions and individuals owed the bank \$115,569.67. Unnamed institutions outside New York owed \$25,233.62, but the bulk of the debt was owed by New Yorkers. Although ledgers have not surfaced indicating who was loaned money and when, an examination of the names on surviving banknotes are principally those of bank officials J. V. Ayers, B. Harleston, L. Durocher, and H. Smith, all of whom received notes signed by J. Q. Adams. (James Adams, a prominent local figure, served as bank president before Henry Smith and was loaning money to Ayers well before Oliver Cowdery became connected with the institution). Oliver Cowdery signed loans to bank cashier B. J. Hathaway and unidentified borrowers Morrison, J. D. Shaw, and C. W. Hony.¹⁴⁵ Cowdery did not sign any notes for loans to Ohio citizens and the relatively small number of borrowers outside of New York interests were likely principally Michigan residents. This suggests that the Kirtland Safety Society was primarily interested in operating under the charter of the Bank of Monroe rather than in the ability to borrow money from the institution.

In addition to the money owed the bank, the Bank of Monroe had debts of its own. It owed other institutions \$5,482.74 and its depositors \$11,544.79. It also had \$122,565 worth of notes in circulation (notes that had most likely gone east and represented debts owed in Buffalo and New York City). Although the Bank of Monroe still had \$32,369.59 of cash on hand (gold, silver, and banknotes from other institutions combined), so much of the debt load was centered in a few debtors in New York that one default would spell disaster back in Michigan. The bank averted disaster, however, probably due to its timely and temporary closure.

Raising Money in Righteousness: Oliver Cowdery as Banker

A national crisis became apparent to everyone in May when many banks closed their doors and panic spread.¹⁴⁶ All fifty-five new banks in Michigan closed during the crisis, bringing down some of the long-established banks with them. Bank notes distributed for the Kirtland Safety Society by Latter-day Saints in the East became virtually worthless overnight. Even local Ohio banknotes lost their buying power as all the banks in Cleveland that guaranteed Bank of Monroe notes suspended specie payments on May 19.¹⁴⁷ The Bank of Geauga closed too.

Throughout this crisis, the Bank of Monroe maintained approximately one hundred thousand dollars in bank note circulation during 1837 and continued to receive a rating for its notes in *Bicknell's Counterfeit Detector and Bank Note List* published in Philadelphia.¹⁴⁸ By the end of 1837, Monroe's banknote circulation dropped to approximately seventy-five thousand dollars, and then it closed the year at thirteen thousand dollars, with \$2,459 in specie still held in its vaults. Circulation dropped to ten thousand dollars through most of 1838 and into 1839.¹⁴⁹ The legislature revoked the Bank of Monroe's charter in February 1842.¹⁵⁰

Although the Bank of Monroe averted disaster during the 1837 panic, Oliver Cowdery's position at the bank did not survive the crisis. It is not clear if Cowdery willingly withdrew from bank administration to forestall outside attacks in the press or if other bank directors pushed for his removal because accusations of Latter-day Saint connections hurt their business. However, Oliver was back in Kirtland at least a week before Michigan's Free Banking Act was enacted on March 15. On March 6, 1837, he bought a long list of items from N. K. Whitney & Company, including a glass lamp, morocco shoes, snuffers, cotton thread, and lots of textile for women's clothing. He bought ten painted bowls and dress trimming the next day, more items on March 9,

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and black silk gloves, lace, and shoes on March 17. It almost seems as though his family was making up for their period of separation on Michigan's frontier.¹⁵¹ Since Michigan's new laws required its bank officials to be legal residents of the state to serve in an institution, Cowdery's presence back in Kirtland marks a separation from the institution. Besides, after the enactment of the Free Banking Act, any hope to strengthen Kirtland's economic efforts through the Bank of Monroe's charter became moot.¹⁵²

Oliver Cowdery was back in Kirtland long before the annual stockholders meeting in July, when Monroe elected a new bank president, and there was clearly no plan for him to continue with the bank. By then America's economy had collapsed. It is not clear if Oliver regained his former position as a bank director in Kirtland when he returned, but after coming back from Monroe he remained aloof from the institution.

Warren Parrish, describing Joseph Smith's views in a later attempt to defend himself, noted that Joseph believed the Kirtland institution would "swallow up all other banks (the Bank of Monroe excepted,) . . . and survive when all others should be laid in ruins."¹⁵³ However, Parrish failed to include Joseph's dire warning that the Latter-day Saint efforts could only be successful if they operated on righteous principles, perhaps because such warnings would only serve to indict Parrish's own role in Kirtland's bank.

When he arrived back in Kirtland, Oliver Cowdery found the city in turmoil. A visitor observed Joseph and several of the Brethren "talking bank, money, steam mills and so on, and the Prophet was very busy." Joseph finally broke away from those following him to attend to other business only to have one of the men catch up with him and ask to speak with him for a moment longer. Exasperated, Joseph exclaimed in a short audible prayer,

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“I wish I were translated,” and walked away in frustration that “everyone wanted to speak with him for just a minute.”¹⁵⁴

As the spiritual, social, and financial burdens of an entire community rested on the shoulders of a thirty-one-year-old Vermont-born well digger and farmer, troubles that had simmered under the surface for some time boiled over into an open dispute.¹⁵⁵ Wilford Woodruff, who lived with the Parrish family for most of the month of May, noted that these troubles had been “brewing in the family Circle in the secret Chamber & in the streets.”¹⁵⁶ It was not just Warren Parrish and a few bank officials who were losing faith in the institution in the face of opposition; some investors had also lost faith. Perhaps the most prominent of these was the John Johnson family.

Although more than two hundred men and women, Saint and Gentile, black and white, rich and poor, merchant and farmer had invested in the Kirtland Safety Society, 57 percent of the burden and blessing of ownership rested on three families, and of these three it was the Johnson family that was leveraged.¹⁵⁷ The day after the leaders of all the Cleveland Banks that supported Kirtland’s efforts announced they would suspend specie payments, Johnson and his daughter Emily Quinn went to the Kirtland Safety Society and redeemed their shares of stock for a little over six hundred dollars in cash. Their withdrawal not only followed the closure of Cleveland’s banks but also came the day before Kirtland Safety Society management was to appear in court for operating without a banking charter.¹⁵⁸ The sale of stock represented a clear break of John Johnson from Church administration.¹⁵⁹ Over the next week and a half, in seventeen separate transactions, John Johnson rapidly sold all the Peter French property under his control.¹⁶⁰ Johnson then bought land from Oliver Cowdery on Saturday, May 27.¹⁶¹

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The next day's meeting in the temple was full of confusion.¹⁶² On Monday, John Johnson was listed as a high councilor to hear evidence against his son Lyman and others opposed to the Prophet. However, three others were selected to replace missing council members, and John may have been one of those missing, because on the same day he was selling off the last of the property he controlled.¹⁶³ Oliver Cowdery presided at the meeting, along with Sidney Rigdon. Joseph Smith did not attend, probably due to illness. Joseph became visibly ill within days. (As relationships fell apart, an epidemic spread throughout Kirtland. Oliver and Elizabeth Ann Cowdery lost their infant on May 9, and many others also died during early May, including family members of those who played key roles in Kirtland.)¹⁶⁴

Joseph Smith was accused by some of his closest friends of wrongdoing during the May 29 council meetings.¹⁶⁵ He became severely ill and “appeared to be so far gone that Brother Rigdon told us that he should not wonder naturally speaking if he did not live till night.”¹⁶⁶ After a few weeks, Joseph finally “dared to be out in the air.”¹⁶⁷ He came out of his illness arguing that the Safety Society would not survive because “no institution of the kind, established upon just and righteous principles for a blessing not only to the Church but the whole nation, would be suffered to continue its operations in such an age of darkness, speculation and wickedness.”¹⁶⁸ Rather than blaming Newell or politicians, Joseph looked internally to the members of the Church itself as the primary cause of failure.¹⁶⁹ He lamented that their trials “were actually brought upon us by the brethren not giving heed to my counsel.”¹⁷⁰

During the first ten days of June, the first officers resigned from their positions as Kirtland Safety Society managers. Joseph Smith came out strongly against the Safety Society and directed that the banknotes be redeemed as a new round of notes were

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issued.¹⁷¹ Rather than follow John Johnson's course in demanding cash for their stock investments, Joseph Smith and a number of his associates turned their stock over to Oliver Granger and Jared Carter to make a full settlement of all debts.¹⁷² As Joseph and some of the principle stockholders withdrew, others such as John Boynton joined the institution, expecting the Safety Society to do better after the withdrawal. Although the Society's original directors "issued orders that the money should be retained in the bank as fast as received," notes were still scattered across the region, and the process had not been completed when they withdrew from administration.

After the original administration publicly directed the retention strategy, Kirtland's citizens apparently believed that the new administration would continue the same strategy as individuals redeemed notes to pay debts. Instead, it carried out exactly the opposite strategy. Brigham Young was one of the first to discover this when he received notes from Oliver Cowdery that had been turned into the Safety Society for redemption.¹⁷³ Without hidden marks or express writing on notes themselves, it would have been impossible for Cowdery or anyone without access to the bank records that listed banknote serial numbers to know they were recirculating redeemed notes, and Cowdery's involvement could have been nothing more than an attempt to help his community redeem notes. Since few banknotes survive today bearing the signatures of the new administration or dates after the change in administration, it is not clear if the new bank was actually making its own loans or if it simply chose to place existing banknotes directly in circulation without making loans, knowing that the Safety Society's assets would no longer cover its notes adequately and that it would be forced to refuse to redeem notes in the future, severely blackening the reputation of everyone even remotely

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involved.¹⁷⁴ Because all discussions of banknotes before the change in administration seem to suggest they continued to trade at par (although they were never rated in national newspaper listings), it may have been during this period that Safety Society banknote value began to slip. Luke Johnson and John Boynton were apparently involved in the Safety Society when “they continued to pass and sell the worthless stuff until they sold it at 12 ½ cents” on the dollar.¹⁷⁵ Values would only drop dramatically if efforts to redeem notes were abandoned at some point. After a period when it would become evident that notes would never be redeemed, they would become worthless. It is not clear at what point this happened. By June 27, 1837, a resident in Kirtland wrote that they had “nothing but Kirtland money.”¹⁷⁶ Sarah Cleveland was arrested just before July 17 for passing banknotes although no specific charges were apparently made.¹⁷⁷ A disillusioned Warren Cowdery published editorials on the Kirtland Safety Society under a July date, suggesting the institution was still viable in July.¹⁷⁸ Although there is no record of the new administration issuing loans, if they did so after they first took over leadership, the first round of thirty-day loans would fall due sometime in mid- to late July. A second round would fall due in mid- to late August. The announcement of Sarah Cleveland’s arrest in the newspaper in July seems to have marked the beginning of the end, and by the end of the month Warren Cowdery wrote about assigning blame for the institution’s problems. In September, Parrish still “managed the institution,” suggesting it still operated in some fashion.¹⁷⁹ However, it appears to have closed for good sometime in September.

On Sunday, September 3, members in Kirtland sustained Joseph Smith, Sidney Rigdon, and Frederick G. Williams as “the three first Presidents of the Church” despite Williams’s continued association with Warren Parrish and the Kirtland Safety Society

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after the withdrawal of Joseph Smith.¹⁸⁰ They also raised hands to sustain Oliver Cowdery, Joseph Smith Sr., Hyrum Smith, and John Smith as assistant counselors who, along with the First Presidency, were “considered heads of the Church.” Oliver Cowdery received unanimous support along with the others. However, Joseph Smith issued an announcement immediately afterward, noting, “Oliver Cowdery has been in transgression, but as he is now chosen as one of the presidents or counselors, I trust that he will yet humble himself and magnify his calling.”¹⁸¹

The next day Joseph Smith acknowledged the difficulties they had faced in Kirtland but added, “They are now about being settled.” Just over a week after sustaining Oliver Cowdery in his position, Marinda Hyde, one of the few members of the Johnson family to remain in the Church, wrote to her husband then serving a mission in England. “Such times in Kirtland you never witnessed as we now have,” she wrote. “But I have learned by experience that we must each one watch and pray and know for ourselves. for it seems that all confidence in each other is gone.”¹⁸² Mary Fielding, Joseph Young, and others saw the Lord’s hand in what happened.¹⁸³ Even Oliver Cowdery’s brother Warren, who openly disagreed with Church leaders on the direction the Safety Society should take, was circumspect in laying blame for its troubles. He argued, “It is easy to see, when the deed is done, the die cast and the time gone by, where there were errors, but we are not now to judge any man. They may have been errors of the head and not of the heart: we should impugn no one’s motives, but as far as truth and reason can go, exercise that grace, ‘that thinketh no evil.’”¹⁸⁴

It is not clear where Oliver Cowdery stood in relation to his brother’s feelings. However, the Prophet’s accusation that Oliver had “been in transgression” suggests he may also have disagreed on the direction the Safety Society should take. Perhaps

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this was when Oliver “urged” a lawsuit against Joseph Smith and Sidney Rigdon by Nathaniel Milliken, who had left the Church and joined the Parrish group.¹⁸⁵ Oliver Cowdery’s feelings and behavior during this period remain obscure. A few weeks after he was sustained in his priesthood office, he was implicated in an alleged counterfeiting scheme led by Warren Parrish. Those leveling accusations acknowledged that the evidence was only circumstantial and hinged on the testimony of someone who was also involved in the plot.¹⁸⁶ Still, the unfounded accusations helped blacken Oliver’s reputation.

In the wake of the Kirtland experience, “the committee on Church revinue” met in Far West, Missouri, on December 7, 1837, “for the purpose of adopting a plan whereby the church of Latter Day Saints may voluntarily raise means by tithing themselves to be a fund ready at all times to assist the poor with. and also to compensate the Servents of the Lord for their services in attending to the business of the church. and for other necessary purposes.” This committee proposed a plan of tithing members 2 percent of their worth, excluding “widows generally and all other families not worth over seventy five dollars each.”¹⁸⁷ The following summer Joseph Smith received revelation on the subject, clarifying that members were to contribute their surplus property, after which “those who have thus been tithed shall pay one-tenth of all their interest annually” (D&C 119:4). This revelation gave a clear direction and provided the method maintained today for raising money in righteousness.

Although Oliver Cowdery had played a central role in Kirtland’s attempts to raise money in righteousness, his relationship with other Latter-day Saints would never be the same after the closure of the Kirtland Safety Society. Exactly one year to the day after Joseph Smith was forced to flee Kirtland, the town’s

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overseers for the poor, Loll Thompson and Lyman Pitcher, requested on January 12, 1839, that constable Jason Markell warn “O Cowdery + family” to leave town.¹⁸⁸ Such warnings rarely led to actual expulsions, but they reflected a concern by town officials that Oliver Cowdery and his family were poor enough that they would require community support. This turn of events reflects the changing circumstances of a man who had once been a bank vice president and a director of two different banks who set out to help the poor and to build Zion.

NOTES

The author has benefitted from comments by Richard L. Anderson, Gordon A. Madsen, Joseph F. Darowski, Scott G. Kenney, and Jeffrey N. Walker on early drafts of this paper.

1. Clarissa Bicknell Orton to Calvin Bicknell, February 1–7, 1837, Church History Library, The Church of Jesus Christ of Latter-day Saints, Salt Lake City.
2. “The House of God,” *Messenger and Advocate*, July 1835, 147.
3. Elwin C. Robison, based on a careful comparison of known building costs for similar contemporary structures, concluded, “An estimate of approximately \$30,000 for temple construction would be reasonable” (“The Cost of the Kirtland Temple,” paper presented at Mormon History Association, 2003, 6, copy in author’s possession). Robison’s estimate does not include the fine decorative elements incorporated inside the building, which may have raised the cost an additional ten thousand dollars or more.
4. During construction, when members guessed that \$10,000 had already been spent on the building, they had an exact figure of \$7,182 in donations toward construction (“The House of God,” 147). As the project continued, some individual donors gave substantial amounts, such as Vienna Jaques, who gave \$1,400; Artemus Millett, \$1,000; and John Tanner, \$13,000. Tanner’s contribution was enormous. In addition, he may have loaned an additional

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\$30,000 for expenses, which, if correct, means he covered virtually the entire cost of construction himself (Elwin C. Robison, *The First Mormon Temple: Design, Construction, and Historic Context of the Kirtland Temple* [Provo, UT: Brigham Young University Press, 1997], 99). John and Eliza Tanner purchased just under ninety-nine and a half acres in Kirtland for \$400 and sold it thirty-four days later to the Temple Building Committee for \$1,200, who in turn sold the property three months later for \$1,500 (Geauga County Property Deeds, February 3, 1836, vol. 22, 305, number 407). If the \$1,200 represented an estimation of value rather than actual price, then the gift of \$1,100 in property may have been part of what the family remembered. Despite these generous gifts, however, there were still some debts when the temple was finished. John Corrill estimated the Church “found itself something like fifteen or twenty thousand dollars in debt, or near as I can recollect” (*A Brief History of the Church of Christ of Latter Day Saints* [St. Louis: privately printed, 1839], 46). It is not clear how Corrill divided up the debts. Debts for property, additional construction projects, publication efforts, and other activities were not separated from those of the temple, and the debt he described may have been principally connected to land purchases and merchandise acquired for Church-run stores. Later legal records suggest that the Temple Building Committee still owed at least \$13,290.50 after construction (Gordon A. Madsen, “The Impact of Litigation Against Joseph Smith and Others on the Kirtland Economy,” Mormon History Association paper, 2003, 12, copy in author’s possession). These figures are likely at the root of historians’ estimations of around \$13,000 in debt remaining when the temple was finished (Richard Lyman Bushman, *Joseph Smith: Rough Stone Rolling* [New York: Alfred A. Knopf, 2005], 329; and Fawn M. Brodie, *No Man Knows My History: The Life of Joseph Smith, the Mormon Prophet*, 2nd ed. [New York: Alfred A. Knopf, 1978], 189). If this figure is correct, the Church’s debt ratio was fairly small in relation to overall assets when the temple was finished.

5. Kirtland High Council Minutes, April 2, 1836, Church History Library.
6. Kirtland High Council Minutes, April 2, 1836.

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7. Kirtland High Council Minutes, April 2, 1836.
8. Dean C. Jessee, comp. and ed., *Personal Writings of Joseph Smith*, rev. ed. (Salt Lake City: Deseret Book, 2002), 217. Two days after receiving their assignment, Oliver's signature appeared along with Joseph's above those of members of the Temple Building Committee urging "the brethren of the Church of the Latter-Day Saints" to give heed to Lyman Wight, who had an "accurate knowledge [of] Zion and her present situation," meaning he understood current conditions in Missouri and could give them advice "relative to temporal matters" (Kirtland High Council Minutes, April 4, 1836). The connection of the Temple Building Committee to land acquisitions in Missouri suggests that their activities focused not only on remaining construction debts for the temple but also general financial well-being.
9. Kirtland High Council Minutes, June 16, 1836.
10. In one instance, Joseph and Oliver called upon a brother "for a donation to assist the poor & gave him a plan . . . to send up money to help build up Zion, purchase land &c.," but the member failed to follow through. Frederick G. Williams lamented, "The Church [is] poor, Zion [is] to be built and we have not means to do it unless the rich assist, & because the rich have not assisted, the heads of the Church have to suffer and are now suffering under severe embarrassments and are much in debt" (Kirtland High Council Minutes, June 16, 1836). In these meetings, Church leaders clearly expressed their belief that the rich were not using their money effectively to build Zion.
11. Later reports consistently claim the stores acquired either twenty or forty thousand dollars worth of goods; for example, Brigham Young remembered twenty thousand (in *Journal of Discourses* [Liverpool: F. D. Richards, 1855–86], 1:215). Ira Ames remembered forty thousand dollars of goods (Autobiography and Journal, 1858, Church History Library). Both of these figures could be correct if one number represents this initial loan by N. K. Whitney and Hyrum Smith and the other includes later loans as well. This suggests the additional debt was probably closer to twenty thousand than forty thousand dollars. Because the Kirtland efforts would be a "new firm"

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under typical lending standards, however, they would have borrowed money at a significantly higher interest rate than would a typical established firm (Gary Gorton, "Reputation Formation in Early Bank Note Markets," *Journal of Political Economy* 104, no. 2 [April 1996]: 346–97). Although it is not clear what the difference in interest would have been, such disparity would put pressure on the borrower to establish a solid reputation and borrow money from lenders who knew them well. It would also put pressure on them to pay the debt more quickly.

12. Frederic G. Mather, "The Early Days of Mormonism," *Lippincott's Magazine of Popular Literature and Science* (Philadelphia: J. B. Lippincott, 1880), 207.
13. Mark L. Staker, "'Thou Art the Man': Newel K. Whitney in Ohio," *BYU Studies* 42, no. 1 (2003): 113–14. The Chester store was known in letters, tax records, and lawsuits as Rigdon, Smith, Cowdery & Co. Those connected with the enterprise were Sidney Rigdon, Joseph Smith Jr., Oliver Cowdery, Hyrum Smith, Reynolds Cahoon, and Jared Carter. Sometimes the list of names varied depending on who wrote them down (see Hiram Dayton to Smith & Rigdon & Cowdery, Geauga County Property Deeds, September 13, 1836, vol. 22, 305, number 397A, Geauga County Tax Duplicates 1837, 57–58, Geauga County Courthouse, Chardon, Ohio). One observer noted, "They also own a large store in Chester, and do business under the firm of Rigdon, Smith & Co.; they trade on a large scale, and make market for everything that can be raised about here" ("Mormonism in Ohio," Letter, *Yankee Farmer and Portland News*, February 4, 1837). Oliver Cowdery's history with the store is not entirely clear. When he left Kirtland for Michigan, O. Cowdery & Co. was turned over to Sidney Rigdon and Joseph Smith. This firm probably only included the printing establishment Oliver acquired from F. G. Williams & Co., and although Cowdery was involved in merchandizing, it does not appear this was his primary activity. Clearly more data is needed to sort out Cowdery's economic activities in Chester. Although William Leffingwell described various experiences in Kirtland that differ from other records and the physical and material culture that survive, he may have

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been correct in describing Joseph Smith as very active in setting up a store during his visit. Leffingwell was initially unable to meet with the Prophet, who was at that time marking prices on goods at his store, having received forty wagonloads of merchandise the day before (Col. W. H. Leffingwell, "The Mormon Bible," *St. Louis Republican*, May 29, 1885; reprinted in *Saints' Herald*, June 13, 1885, 380–81). Joseph appears to have initially taken a very active role in his store, while the roles of others remain obscure.

14. Although only Congress could issue money as coins or specie, businesses of all varieties issued banknotes, essentially promissory notes agreeing to pay legal money if asked, and backed by other less liquid forms of capital such as land, grain, cotton, canals, books, or even sandstone. The ability to exchange banknotes for specie was considered "one of the greatest practical improvements which can be made in the political and domestic economy of any State, and that such convertibility was a complete check against over-issue" (William M. Gouge, *A Short History of Paper Money and Banking in the United States* [Philadelphia: T. W. Ustick, 1833], ix). For a detailed examination of banking practices at the time, see George Tucker, *The Theory of Money and Banks Investigated* (Boston: Charles C. Little and James Brown, 1839). Banks in particular made a business of issuing notes as a means of providing short-term loans. As economic speculation and general economic optimism spread widely in the Western Reserve and throughout America, "paper and speculation . . . were heartily approved by many westerners" as banks, canal companies, gristmills, and others printed notes, fueling rising land investments (Robert V. Remini, *Andrew Jackson and the Bank War: A Study in the Growth of Presidential Power* [New York: W. W. Norton, 1967], 20).
15. Savings banks were not a part of the American financial scene at the time, but those who deposited money in banks seem to have earned a portion of the discount paid for borrowed banknotes in a manner similar to those who owned stock in the bank but at a lesser amount. Harry E. Miller does not deal with this subject directly, but it is woven into his larger discussion of the history of bank deposits (*Banking Theories in the United States Before 1860*

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- [Cambridge, MA: Harvard University Press, 1927], 109–24). For additional insight, see Tucker, *Theory of Money and Banks Investigated*. Although banking changed dramatically after the Civil War, John J. Lalor's volume provides a good introduction to critical elements of early banking (*Cyclopaedia of Political Science, Political Economy, and the Political History of the United States* [New York: Maynard, Merrill, and Co., 1881]). See especially the entries under “banks,” “banking,” “banking—functions of,” “bank controversies,” “banks—advantages of savings,” “bank notes,” and “judiciary.”
16. Samuel P. Orth, *A History of Cleveland Ohio* (Chicago: S. J. Clarke, 1910), 1:642.
 17. Harvey Rice, *Pioneers of the Western Reserve* (Boston: Lee & Shepard, 1883), 159–60. Rice's claim that banks exhausted their entire capital in loans did not mean that banks loaned every cent they had but that they loaned all the portion of capital they were allowed by law to make available. They were required to retain a portion of their capital in their vaults (Nathan Appleton, *Paper Currency, and the Banking System of Massachusetts: With Remarks on Present High Prices* [Boston: Little, Brown, 1856], 3–5).
 18. Joseph Smith, *History of the Church of Jesus Christ of Latter-day Saints*, ed. B. H. Roberts, 2nd ed. rev. (Salt Lake City: Deseret Book, 1971), 2:487. It is not clear which leaders and which members promoted excitement about land investments. Joseph Smith later noted that others were quick to include him among those caught up in excitement, and they blamed him for resulting troubles as though he were “the sole cause of those very evils I was most strenuously striving against” (*History of the Church*, 2:487). As he sought to create economic opportunity for all, and particularly the poor, others allowed regional excitement to influence their belief that the time had come to gather in the riches of the world. Although Cyrus Smalling later claimed that “all the heads of the church, got lifted up in pride, and they imagined that God was about to make them rich, and that they were to suck the milk of the Gentiles . . . and then they would make the whole church rich,” he specifically mentioned Luke Johnson and John F. Boynton as examples of this

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attitude (letter from Kirtland, March 10, 1841, in E. G. Lee, *The Mormons, or, Knavery Exposed* [Philadelphia: Webber and Fenimore, 1841], 13). Others specifically mentioned Boynton and several Johnson family members as involved in speculation (including Luke Johnson's acknowledgment of his role in his later account), using language similar to that of Smalling. John Boynton and Johnson family members apparently played a central role in encouraging speculation. They were among those who believed "the time had arrived for the Lord to enrich them with the treasures of the earth" (Heber C. Kimball, Journal, cited in Helen Mar Kimball Whitney, "Life Incidents," *Woman's Exponent*, May 1, 1881, 178). For additional insights into Kirtland's economy and the Kirtland Safety Society, see Dale W. Adams, "Chartering the Kirtland Bank," *BYU Studies* 23, no. 4 (Fall 1983): 467–82; Dale W. Adams, "Grandison Newell's Obsession," *Journal of Mormon History* 30, no. 1 (Spring 2004): 159–88; Marvin S. Hill, C. Keith Rooker, and Larry T. Wimmer, *The Kirtland Economy Revisited: A Market Critique of Sectarian Economics*, Studies in Mormon History 3 (Provo, UT: Brigham Young University Press, 1977); Scott H. Partridge, "The Failure of the Kirtland Safety Society," *BYU Studies* 12, no. 4 (Summer 1972): 437–54; Robert Kent Fielding, "The Growth of the Mormon Church in Kirtland, Ohio" (PhD diss., Indiana University, 1957); "The Mormon Economy in Kirtland, Ohio," *Utah Historical Quarterly* 27, no. 4 (1959): 330–56; D. Paul Sampson and Larry T. Wimmer, "The Kirtland Safety Society: The Stock Ledger Book and the Bank Failure," *BYU Studies* 12, no. 4 (Summer 1972): 427–36; Larry T. Wimmer, "Kirtland Economy," in *Encyclopedia of Mormonism*, ed. Daniel H. Ludlow (New York: Macmillan, 1992), 2:792–93.

19. The original 1833 plat of Kirtland includes property owners' names written on some lots, the last of which purchased his property in August 1833, suggesting that the plat was made before then so that names could be entered on it but was not used much after August of that year as others continued to purchase land. When more than seventy of Kirtland's citizens formally approved an expansion of the original 1833 plat of the city in the summer of 1836, it

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increased the size of the imagined Kirtland from one square mile to two. These plans were formalized in 1837 when the revised plat was entered into county records. However, plans for this eastern border of Zion were apparently much larger than the formal plat recorded by the county showed. Conversations about the city included the ports of Cleveland and Fairport Harbor to the north as they imagined, "Steam boats will come puffing into the city. Our Goods will be conveyed upon railroads from Kirtland to many places & probably to Zion" (*Wilford Woodruff's Journal, 1833–1898 Typescript*, ed. Scott G. Kenney [Midvale, UT: Signature Books, 1983], 1:134). The expectation that there would be a railroad may have come from a prophecy made by Jedediah M. Grant during the dedication of the Kirtland Temple that there would be a railroad built from Kirtland to Jackson County within ten years (American Anti-Mormon Association, *Sword of Laban*, Leaflets No. 15 [Grayson, KY: R. B. Neal, n.d.], 2; compare Ebenezer Robinson, *The Return* 1, no. 6 [June 1889]: 90). Although it seemed incredible at the time, more miles of rail track were in fact laid in 1836 and 1837 in Ohio than all the miles of canals then within the state. Within ten years, goods could indeed be sent via railroad from Fairport Harbor and Cleveland all the way to Missouri. Three-dollar Safety Society notes depicted a steamship and train, while one-dollar notes included a train in a farming landscape, both images reminiscent of progress.

20. Kirtland was already supporting a thriving array of businesses when the Church stores opened, including general stores, the Kirtland Emporium of Fashion, a meat market, leather goods stores, and others. At the main intersection, Newel K. Whitney continued to run his own store, already in business for more than a decade. Book of Mormon publishers Parley P. Pratt and John Goodson opened a store with five hundred dollars worth of goods, apparently as a Church effort to help fund its publishing activities. (The two began printing the second edition of the Book of Mormon that fall.) These businesses provided virtually everything a Kirtland settler needed (see Geauga County Tax Duplicates, 1837; see also the *Northern Times*, October 2, 1835, 4).

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21. Jonathan Dunham, for example, arrived in Kirtland in 1831, charging his New York wage of a dollar a day to frame a house. By 1834 he was earning \$1.25 a day, but by 1836, his salary dropped back to a dollar a day. Wages continued to drop until by October 1836, Dunham made seventy-five cents a day (Jonathan Dunham, Account Book, Church History Library). Many found work in neighboring towns where there was money to lend for construction.
22. Joseph Young to Lewis Harvey, November 16, 1880, Church History Library.
23. Brigham Young, Account Book, 1836–1846, 2, Church History Library.
24. Dean C. Jessee, “The Kirtland Diary of Wilford Woodruff,” *BYU Studies* 12, no. 4 (Summer 1972): 99; compare Kimball, Journal, cited in Whitney, “Life Incidents,” 178.
25. Ebenezer Robinson, *The Return* 1, no. 7 (July 1889): 104.
26. Although there is no direct evidence that the trip to Salem, Massachusetts, included discussions about banking, a close reading of Oliver Cowdery’s letters sent back home suggests that banking was under consideration but that no firm plans were developed. Three days before Joseph received the revelation in Salem on August 3, Oliver Cowdery wrote a letter describing their experiences traveling through New York. He emphasized the significance of their plans to build Kirtland and reinforced the notion that a rail system and a well-ordered city with wide streets were good ideas. He noted “how easily the wealth and pride of men can be made to vanish” as he visited the charred remains of New York City’s recently burned stock exchange but added, “There is money yet in Wall street, and ‘Draper, Underwood,’ and others, ready to help incorporated bodies to plates and dyes, to make more” (Oliver Cowdery to W. [John Whitmer], *Messenger and Advocate*, September 1836, 375). Oliver gave no indication that he would soon enlist Underwood’s company to create plates to print Kirtland’s own banknotes, but he seemed interested in the investment activity the travelers saw.
27. Joseph Young to Lewis Harvey, November 16, 1880, Church History Library.
28. “Minutes,” *Messenger and Advocate*, January 1837, 443.

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29. Smith, *History of the Church*, 3:469.
30. Kimball, Journal, cited in Whitney, "Life Incidents," 178.
31. Kimball, Journal, cited in Whitney, "Life Incidents," 178.
32. Jessee, *Personal Writings of Joseph Smith*, 389–90.
33. Hiram Dayton to Smith & Rigdon & Cowdery, Geauga County Property Deeds, September 13, 1836, vol. 22, 305, number 397A.
34. William Draper Jr. to Joseph Smith Jr., Geauga County Property Deeds, September 14, 1836, vol. 22, 428, number 398A; Hiram Dayton to William Draper Jr., Geauga County Property Deeds, September 13, 1836, vol. 23, 24, number 398. The Draper purchase may have been an attempt to keep land costs low by downplaying their interest in the property through using someone else to help acquire the land.
35. Brigham Young sometimes used hyperbole to make his point. However, he makes it clear there was some expectation that Joseph, in running a Church store, would make goods more accessible to members than to others. "Joseph goes to New York and buys 20,000 dollars' worth of goods, comes into Kirtland and commences to trade. In comes one of the brethren, 'Brother Joseph, let me have a frock pattern for my wife.' What if Joseph says, 'No, I cannot without the money.' The consequence would be, 'He is no Prophet,' says James. . . . After a while, in comes Bill and sister Susan. Says Bill, 'Brother Joseph, I want a shawl, I have not got the money, but I wish you to trust me a week or a fortnight.' Well, brother Joseph thinks the others have gone and apostatized, and he don't know but these goods will make the whole Church do the same, so he lets Bill have a shawl" (Brigham Young, in *Journal of Discourses*, 1:215). Cyrus Smalling agreed that goods were sold on credit, noting "they had sold to their poor brethren, who were strutting about the streets in the finest broadcloth, and imagining themselves rich, but could pay nothing" (Cyrus Smalling, letter, in Lee, *The Mormons, or, Knavery Exposed*, 14).
36. Alfred Holbrook, *Reminiscences of the Happy Life of a Teacher* (Cincinnati: Elm Street Printing, 1885), 223.

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37. Jacob Bump to Joseph Smith Jr., Geauga County Property Deeds, December 5, 1836, book 22, 568; Jacob Bump Merchant Capital, Geauga County Tax Duplicates, Kirtland Chattel Tax 1837, Geauga County Courthouse, Chardon, Ohio. The land purchase was never completed, largely because of lawsuits by the owners of the Geauga Bank. The land reverted back to Bump, who kept his payment as well as his property. Ira Ames remembered that Hyrum Smith and Oliver Cowdery “went to New York and bought forty thousand dollars worth of goods. . . . Those goods were all sold to Jacob Bump.” He implied the goods were not solely transferred for land, however, as “these goods were all sold to Jacob Bump for \$2,500. One thousand in cash and fifteen hundred to be paid in store pay. This I received” (Ames, *Autobiography and Journal*, 16). It is difficult to understand what Ames meant by this. The \$7,000 land deed and the Holbrook reminiscence suggest almost half of the goods were traded for land. It is not clear what he meant by “store pay,” whether it is debts Bump owed for his purchases or income he would get from selling product.
38. Geauga County Tax Duplicates, 1837, 57–58.
39. In 1842, Alpheus Russell sued Joseph Smith and others for the entire purchase price of his property (Madsen, “Impact of Litigation Against Joseph Smith and Others on the Kirtland Economy”). Because the first payment on his property was due June 1, 1837, either he received Kirtland Safety Society banknotes for his first payment and did not include those in his later suit or by then the loan was allowed to go into default.
40. Peter French to William Miller, William Smith, Don Carlos Smith, and Joseph Smith Jr., Geauga County Property Deeds, October 5, 1836, vol. 22, 383 (deed recorded October 26, 1836); Peter French to William Miller, William Smith, Don Carlos Smith, and Joseph Smith Jr., Geauga County Property Deeds, October 5, 1836, vol. 23, 94 (deed recorded November 14, 1836). The price was originally set at \$9,777.50, with annual payments of \$1,000 scheduled to continue until 1851 with a final payment covering the remainder to be made after that date. This purchase was adjusted slightly

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the following month to \$11,777.50, perhaps because less money was paid up front than was initially anticipated.

41. Marvin S. Hill, C. Keith Rooker, and Larry T. Wimmer, *The Kirtland Economy Revisited: A Market Critique of Sectarian Economics*, Studies in Mormon History, vol. 3 (Provo, UT: Brigham Young University Press, 1977), 61–62.
42. Brigham Young, Account Book, 1836–46, October 15, 1836, 1, Church History Library.
43. Smith, *History of the Church*, 2:472.
44. Part of the original Kirtland Safety Society Stock Ledger is found in the collection of the Chicago Historical Society. The stock ledger does not appear to be complete since a significant number of names listed in the index of the surviving ledger are not included in its pages. There may have been a second missing volume. Arthur Deming claimed he could discern five names changed in the ledger when he acquired it. A careful examination of microfilm copies suggests at least six of the names in the surviving ledger were changed. Examination of the original record might highlight additional names. N. K. Whitney wrote to his brother, Samuel, acknowledging that Warren Parrish removed his name from the book even though Whitney had not even purchased shares. (His name was probably changed to the A. H. Whiting listed in the records.) Whitney also said Parrish removed his own name, when he did own stock. (Nothing remotely suggestive of Parrish's name appears even in altered form, suggesting it may have been in a possible second volume.) Clearly the surviving stock ledger cannot provide a complete assessment of the Kirtland Safety Society's assets when it opened its doors. Arthur Deming purchased the ledger from a daughter of Warren Parrish almost thirty years after Parrish's death and Deming had no other information about the ledger, its history, authenticity, or companion volumes, other than what survived in its pages.
45. It is not clear why those unable to pay for a complete first installment did not just borrow money to meet that requirement. It was common practice at the time for subscribers to borrow money from the bank they were investing in

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- to purchase their stock (Harry N. Scheiber, *Ohio Canal Era: A Case Study of Government and the Economy, 1820–1861* [Athens: Ohio University Press, 1969], 4–7).
46. Joel Hills Johnson, Autobiography of Joel Hills Johnson, typescript, 6, L. Tom Perry Special Collections, Harold B. Lee Library, Brigham Young University, Provo, Utah; Smith, *History of the Church*, 2:467. Although there was not another Safety Society in America at the time, the name of the institution was reminiscent of the safety fund plan then so popular in both New York and Michigan (Howard Bodenhorn, *State Banking in Early America: A New Economic History* [New York: Oxford University Press, 2003], 155–82; and Carter H. Golembe, *State Banks and the Economic Development of the West* [New York: Arno Press, 1978], 16). In fact, a newspaper in Michigan even referred to it as “the Kirtland Safety Fund Society Bank” (“Mormon Bank,” *Monroe Times*, January 5, 1837, 2). Isaac Russell described it as “the Kirtland Bank, or ‘safety fund’” (Isaac Russell to the Editor of the *Christian Guardian*, Toronto, Ontario, Canada, March 11, 1837, Isaac Russell Correspondence, 1837–1840, Church History Library). Banks belonging to a safety fund assured depositors of other banks in the fund that they would sustain them if there were problems. In a sense, those belonging to a fund mutually insured each other’s depositors. In 1845, Alfred Kelley proposed the Kelley Law in the Ohio legislature, which would enact a safety fund in the state (Harry Scheiber, “Alfred Kelley and the Ohio Business Elite, 1822–1859,” *Ohio History* 87, no. 3 [Autumn 1978]: 387). Such a law was not in force when the Kirtland institution opened, despite the apparent confusion by some writers about the name.
47. Heber C. Kimball and most of the Twelve Apostles were among the thirty-two serving as the board of directors (Kimball, Journal, cited in Whitney, “Life Incidents,” 178). Kimball did not say which Apostles were not on the board, but Lyman Johnson, John Boynton, and William McLellin were not initially associated with the bank. (Boynton acquired shares only after Joseph Smith withdrew from the institution, while Lyman Johnson and William McLellin

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never invested.) Some of these men felt Joseph “ought not to meddle with temporal affairs.” Brigham Young met with them in the temple and “challenged them to show where in the Lord ever conferred upon any man in the world the power to dictate in spiritual affairs, that he did not in temporal affairs?” (Brigham Young, in *Journal of Discourses*, 18:242). This suggests that the three men mentioned were not on the board of directors. Joseph Young, a member of the Quorums of the Seventy and one of the initial stock investors, later showed a great deal of knowledge about the activities of the Kirtland Safety Society, suggesting he may have been a director as well (Joseph Young to Lewis Harvey, November 16, 1880, Church History Library). It may be that most of the directors were Latter-day Saints drawn from Church leadership, but this is not clear since some of the initial investors were women and nonmembers.

48. *Wilford Woodruff's Journal*, 1:120. Ohio senator Henry B. Payne recalled as a young man going down into “the cellar where [Joseph Smith] showed them what he pretended were some kegs of gold pieces, but the Senator said he ascertained by kicking them surreptitiously they were empty except a few gold pieces on the top thereof” (Interviews of Prominent Officials by Franklin S. Richards and Charles W. Penrose, 1886–1890, Church History Library, source courtesy Steve Sorensen). Payne also implied the barrels contained lead or iron under the gold, something that was commonly told in stories of the time. However, he never explained how he could tell the nature of the metal simply by kicking the barrel, and his claim was never verified. Cyrus Smalling claimed that they were not kegs but “one or two hundred boxes” that were each marked as containing one thousand dollars and that visitors saw one opened box on the table partially full of specie. Joseph Smith “opened one box and they saw that it was silver, and they helped a number and Smith told them that they contained specie, and they were seemingly satisfied.” Smalling adds that Joseph Smith told them he had two hundred thousand dollars in specie in the bank (Smalling, Letter, in Lee, *The Mormons, or, Knavery Exposed*, 14). No one but Smalling ever claimed there was that much in specie in the bank’s vaults, and this claim contradicts his own statements made in the

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same article. He initially stated the bank had six thousand dollars in specie, not responding directly to but seemingly aware of Joseph Smith's published statement that there was ten thousand in specie in the bank. It appears that Smalling is either combining events that occurred early in the bank's history with those that occurred later—placing them all at the feet of Joseph Smith as a single event—or he is incorrect on a number of his details. Smalling may have let personal feelings shape his memories, since he encountered difficulties with Church leaders in late April or early May 1837. He was found guilty of some offense by the Seventies quorums, and as he appealed his case, he was accused by A. Badlam of “joining a company to put down President Joseph Smith Jr” (Kirtland High Council Minutes, May 11, 1837, Church History Library). Smalling sought to defend his position in the Church at that point and appears to only have had problems with Joseph Smith rather than the Kirtland Safety Society or the Latter-day Saints in general.

49. Cyrus Smalling claimed the printing supplies were purchased on credit, which is apparently confirmed by a lawsuit for an unpaid \$1,450 signed note held by T. Underwood, R. Bald, A. Spencer, and S. Huffey for labor and services (Geauga County Court Records, June 1837, Geauga County Courthouse, Chardon, Ohio). A few months later, estimates of the values of Bank of Monroe printing plates and other banking equipment were placed at \$4,500 (O. Cowdery and B. J. Hathaway, “Statement of the Condition of the Bank of Monroe,” *Monroe Times*, March 16, 1837). This suggests that either the Kirtland enterprise got better value for its equipment or a considerable amount of the purchase price had already been paid.
50. Oliver would also have been a good choice to send to the legislature since he already had strong ties with the Democratic Party. Banking had become a big issue in politics, and many Democrats were pushing heavily to close the United States Bank, some encouraging states to establish or promote their own systems of banking to meet their own needs. Ohio had particularly been involved in the issue as it took case after case to the Supreme Court, testing issues of states' rights and finances.

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51. Geauga County Court of Common Pleas, vol. 5, 449, Geauga County Courthouse, Chardon, Ohio.
52. Woodruff and Mason at the Western Bank Note Engraving Company in Cincinnati were at that moment in the process of opening to compete against another local “celebrated” company as the business of banknote printing in Ohio was booming (A. Miles, letter from Brunswick, Medina County, March 21, 1837, Joseph Smith Papers, Church History Library; cf. “Western Bank Note Co.,” *Western Hemisphere*, January 4, 1837, 3). They sought Kirtland’s business a few months later, but by then Oliver had already committed to another printer.
53. This company evolved over time under the direction of J. Dorsey Bald to become the American Bank Note Company, printing money and stamps for nations around the world (William H. Griffiths, *The Story of the American Bank Note Company* [New York: American Bank Note Company, 1959], 27–28, 31).
54. This letter was reprinted in “Mormonism in Ohio,” *Yankee Farmer & Portland Newsletter*, February 4, 1837. Warren Cowdery wrote that the printing plates came from Philadelphia (W. A. Cowdery, “Kirtland, Ohio, July, 1837,” *Messenger and Advocate*, July 1837, 535). However, he may have referred to the headquarters of the company rather than place of manufacture. Cyrus Smalling reported that “they sent to Philadelphia and got the plates made” (Smalling, letter, in Lee, *The Mormons, or, Knavery Exposed*, 14).
55. Charles Clifford Huntington, *A History of Banking and Currency in Ohio Before the Civil War* (Columbus, OH: F. J. Heer, 1915), 5.
56. Despite antagonism toward national banking, contemporary economists argued that banks were the ideal industry to help communities grow and to provide jobs. Local, state, and national politicians of both parties generally held the same views. Nicholas Biddle, president of the Bank of the United States, argued, “What laboring people want . . . is labor, work, constant employment. How can they get it? In building shops and in building houses; in coal mines; in making roads and canals; and how are all these carried on

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except by credit in the shape of loans from banks. If it were not from such credits, nine tenths of all the works which give wages to labor would be at an end." Biddle firmly believed "the greatest misfortune to the laboring classes would be to banish the system of credit" made possible by banks (cited in Edward Pessen, *Jacksonian America* [Homewood, IL: Dorsey Press, 1978], 144). Kirtland saw an immediate confirmation that their bank created jobs, just as their contemporaries predicted, as account books that had been empty for weeks included lists of jobs and names of assistants hired to complete them.

57. Benjamin Tappan, president of the 1836 Democratic convention, argued that banking as it then existed in America interfered with obligations developed through private contracts and that banking should be a private enterprise rather than a public institution (Benjamin Tappan and others, "Address to the People of the State of Ohio," *Proceedings of the Democratic State Convention, Held in Columbus on the Eighth of January, 1836* [Columbus: Office of the Western Hemisphere, 1836], 19–27). Oliver attended that convention in Columbus as a representative for Geauga County Democrats, noting that his motive and "only wish in forming acquaintances with the great men of the nation, is, that I may be of service to my fellow beings and benefit the cause of truth and righteousness" (Leonard J. Arrington, "Oliver Cowdery's Kirtland, Ohio, 'Sketch Book,'" *BYU Studies* 12, no. 4 [Summer 1972]: 414). He found himself in the thick of discussions about banking in the state. Even before the convention opened in January 1836, Oliver had already sent a letter to John A. Bryan, the state auditor who supported elements of banking reform, pledging his support for Bryan as candidate for governor (Oliver Cowdery to John A. Bryan, October 15, 1835, Oliver Cowdery Letterbook, manuscript, Henry E. Huntington Library, San Marino, California). Bryan had already come out clearly against the United States Bank, calling it a "monster." He argued for Andrew Jackson's reelection precisely to keep the greed of speculators in check (John A. Bryan, Bela Latham, and David Smith, *Veto Message Together with Explanatory Notes, and the Address of the National Democratic Committee for the State of Ohio* [Columbus, OH: Ohio Monitor Office, 1832], 2–3).

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58. Although few letters survive that shed light on the confidential wrangling that took place before sessions, those letters that remain suggest banking was a major subject of these backroom deals. In some parts of the country, political favors had become institutionalized. Howard Bodenhorn has argued that bribery, corruption, and charter mongering were endemic within America's bank chartering process and in the 1830s it was impossible to get a bank charter anywhere in the country without bribing the legislature, usually in the form of offering bank stock or in other indirect ways (Howard Bodenhorn, "Bank Chartering and Political Corruption in Antebellum New York: Free Banking as Reform," paper for the NBER Conference on Corruption and Reform, revised, September 2004; also Bodenhorn, *State Banking in Early America: A New Economic History* [New York: Oxford University Press, 2003], 14–15, 158). Ohio was at least partially an exception to this trend, as a major scandal during Ohio's 1836–37 session would illustrate, but even in Ohio, where corruption had been forced into darkened rooms, it still played an influential role in getting bank charters passed or blocking the competition. In 1833, Robert Buchanan asked a bank promoter to first "attend to [his] notes" in order to receive his support in Ohio's legislature (letter, January 11, 1833, Robert Buchanan Letters, Historical and Philosophical Society of Ohio, Cincinnati, cited in Carter H. Golembe, *State Banks and the Economic Development of the West*, 53). Preceding the 1836 Democratic Party convention, David T. Disney wrote a letter to Benjamin Tappan, set to chair the convention, and boldly scratched "Confidential" across the top. Disney endorsed the Democrats plan to "put down small [bank] notes" when they were in a tight political race. Nevertheless, he had troubles: "No more local Banks—at least this winter—By the by I do not know but what I have got myself into something of a scrap about one already I allude to the Trust Co—I find some of our friends in the north are disposed to make a noise about it—I should be sorry [to] see it for no good Can come out of it—The whigs here are of course very adroitly fanning the flame and hope yet to make something out [of] it. . . . I then repeat it no good can come of it but much

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evil may—The truth is our pa[r]ty in this city are divided about it—but I think if no noise be made in the Legislature or convention we shall all settle down peaceably—If it be pushed we shall probably come to the same result they have in N. Yrk have two parties in our own ranks and this upon the eve of the Presidential election—It really would seem to me that prudence would admonish us of the danger and extreeme impropriety of agitating any question likely to beget disensions. . . . D. T. Disney” (David Disney to Benjamin Tappan, January 1836, Benjamin Tappan Papers, Library of Congress).

Disney hoped to keep the Ohio Life Insurance and Trust Company from becoming a political issue for him. Although his company was issuing banknotes without a banking charter as was typical for the time, Disney’s concern was that as a quasi bank, it would inhibit his ability to promote an antibanking platform.

59. Geauga County Court of Common Pleas, vol. 5, 449.
60. Medary’s newspaper, the *Western Hemisphere*, was published in Columbus, Ohio. The brothers printed a detailed day-by-day account of all of the activities of the legislature in their weekly paper, which served as the foundation for their later official journals for the state.

Perhaps portending things to come, on December 8, William Quinby became chair of the House Banking Committee. Quinby came from Garrettsville, a community carved out of Hiram Township in Portage County, Ohio. Members of Garrettsville’s militia had participated in a mob that attacked Joseph Smith almost five years earlier. David Crouse landed the chair of the Banking Committee in the senate and positions on both the Finance and the Surplus Revenue Committees. He later managed to get all turnpike issues assigned to him as well, becoming the center of all economic legislation in the Senate.

Crouse had just shifted from arguing the year before that his local bank was leading a “secret conspiracy” against the Democratic Party to a position where he suddenly became a member of its board of directors, a leader behind the state banking movement, and the private proponent of a number of

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banks (David Crouse, "Mr. Crouse's Address, Proving a Secret Conspiracy of the Officers of the Bank of Chillicothe, Against the Democratic Party in This Vicinity," *Chillicothe* [Ohio], *Advertiser-Extra*, 1835). Crouse was appointed to the Finance and Surplus Revenue Committee on December 7, the first business day of the session, and as chair of the Banking Committee the next day. John K. Campbell and John E. Hunt were appointed to handle banking with him.

The three Connecticut-born Whigs representing Geauga County did not have enough political influence to garner significant positions. Forty-six-year-old Fairport attorney Senator Ralph Granger was appointed to the committee on schools, thirty-nine-year-old Painesville merchant Representative Timothy Rockwell to the Claims Committee (unresolved claims for payment made against the state), and thirty-five-year-old Barton attorney Representative Seabury Ford to the Militia and Military Affairs Committee.

Presumably Orson Hyde approached Granger, Rockwell, and Ford with a proposal to charter Kirtland's Safety Society when he arrived in Columbus. However, his activities at the legislature remain a distinct mystery. It is not clear when he arrived in Columbus or what he did while there. Others with even more influence and political ties who hung out in the lobby of the Columbus Theater were forced to bribe legislative members to get a few moments of their time. Although the legislators from one's own district seem to be the logical choice to take a petition forward, Hyde's contemporaries often promoted legislation originating in other districts—such as Senator Leicester King's proposal on behalf of the citizens of Geauga county to support the cultivation of silk, an economic effort that had become popular in the region, or Surplus Revenue committee member William McLaughlin's proposal on the Monroeville Railroad Company originating from the hometown of bank committee member John K. Campbell. However, Hyde likely sought support from his own representatives as politicians busily developed proposals for railroad companies, canal companies, steamboat companies, or road building enterprises that could all print banknotes as part of their activities.

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Hyde faced great challenges in getting an audience. Not only were Geauga County's politicians all good friends as well as business competitors of the Latter-day Saints in Kirtland, but after the *Painesville Telegraph* nominated Granger as the Whig candidate for senator, "the Mormonites . . . nominated Benjamin F. Tracy of Painesville" as a Democrat to run against him ("Gauga," *Cleveland Whig*, September 23, 1835). This made Hyde's companions clear political opponents of those who could take the bank charter proposal to the floor.

61. The Kirtland Safety Society is not mentioned at all in the detailed minutes of the legislative sessions published in the *Western Hemisphere* during December. It is not likely that the inexperience of Geauga County's politicians played a role in their failure to take the Kirtland charter proposal to the floor, because Ralph Granger was heavily involved in leading a select committee on geological surveys of the state, and his colleagues were also involved in proposing other legislation that did make it through committee.
62. "House of Representatives, Thursday, December 29," *Western Hemisphere*, December 29, 1836, 2.
63. *Gauga Gazette*, March 6, 1832, n.p.
64. *Gauga Gazette*, February 28, 1832, 3. Latter-day Saint Levi Hancock began making chairs in direct competition to Newell. It is not clear if this, religious opposition, or some other event created antagonism between Newell and his Latter-day Saint neighbors. He was actually related to at least one member of their congregation. Newell came from Barkhamsted, Connecticut, but his Woodruff ancestors lived for generations in Farmington, Connecticut, where a distant relative and Kirtland Safety Society supporter Wilford Woodruff was born, both of them descendants of Matthew Woodruff, who first settled the town.
65. *Gauga Gazette*, February 28, 1832, 3. That the Bank of Geauga would become a natural rival of the Kirtland Safety Society should have been expected. The "deliberate warfare among banks" that was then rampant throughout Ohio was already well known. In fact, banks that regularly did business in

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- Kirtland, such as the Commercial Bank of Lake Erie, had long experience in “quieting an application for a new Bank” in the area to keep competition low (Harry N. Scheiber, “The Commercial Bank of Lake Erie, 1831–1843,” *Business History Review* 40, no. 1 [Spring 1966]: 47–65).
66. The Bank of Geauga began operations on January 3, 1832, with a potential capital stock of \$100,000. The amount of stock actually paid in was \$57,000 with \$10,077 in specie. The bank had \$85,273 of banknotes in circulation or more than eight dollars of notes for every dollar of hard currency in its possession. Edward Bronson served as bank president in 1834 when both Peter and Reuben Hitchcock were listed as directors (John A. Bryan, *The Ohio Annual Register* [Columbus: J. Gilbert and R. C. Bryan, 1835], 96).
 67. J. H. Morley claimed that Newell went to Columbus to get a warrant for the arrest of Kirtland Safety Society officials for operating without a charter (J. H. Morley, statement, November 7, 1902, Western Reserve Historical Society, Cleveland, Ohio). However, court records indicate that Samuel D. Rounds entered a suit in Chardon on February 9 (perhaps learning in Columbus that Kirtland Safety Society’s proposed bank charter was about to come up for a vote), suing Qui Tam and the six directors of the Safety Society (Madsen, “The Impact of Litigation Against Joseph Smith and Others on the Kirtland Economy,” 9–10). Oliver Cowdery’s name was not listed as a director by that time, perhaps because he had already withdrawn from Kirtland’s institution in preparation for another deal to take place in two days in Michigan.
 68. By the end of April, the *Western Christian Advocate* listed only six Ohio banknotes as trading at par (April 28, 1837, 3). The Bank of Geauga, the Commercial Bank of Lake Erie, the Western Reserve Bank, and the Bank of Cleveland had banknotes all trading at a 1 percent discount rate. Even after they reopened their doors, these banks surrounding Kirtland all traded at a 1.5 percent discount (“Bank Note Table,” *Western Christian Advocate*, September 6, 1837, 3).
 69. Cuyahoga Falls citizens sought to help promote economic development in a town that had grown from 375 to 1,250 people in the previous three and

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a half years. "In each of the last two years," town leaders noted, "there have been erected about one hundred houses. The last season there would have been nearly double that number built" if only they had currency to foster business. They felt the Bank of Geauga was lending money to local speculators and not investing in their projects (Margaret Manor Butler, *A Pictorial History of the Western Reserve, 1796 to 1860* [Cleveland: The Lakewood Historical Society, 1963], 134; and William Henry Perrin, *History of Summit County* [Chicago: Baskin & Battey, 1881], 473–74). It was their "great embarrassment for want of a currency, which led to the adoption of a plan for issuing notes in the similitude of bank notes, upon the basis of real estate for security. But it was soon abandoned as a failure, causing loss to some" (Perrin, *History of Summit County*, 473–74). All that remains of the enterprise now are a few three-dollar notes issued in early 1837, although the directors went on to lead productive lives as prominent citizens in their community.

70. *Chardon Spectator & Geauga Gazette*, February 3, 1834, 3.
71. *Chardon Spectator & Geauga Gazette*, December 7, 1834, n.p.
72. Although looming debt may not have been the immediate concern, it was the fundamental concern that motivated a search for ways to earn enough to ultimately eradicate that debt. Warren Cowdery noted, "Previously to the commencement of discounting [loaning banknotes to earn fees] by the bank, large debts had been contracted for merchandize in New York and other cities, and large contracts entered into for real estate in this town, and adjoining towns, some of them had fallen due and must be met or incur forfeitures of large sums" (W. A. Cowdery, "Kirtland, Ohio, July, 1837," *Messenger and Advocate*, July 1837, 537).
73. Rice, *Pioneers of the Western Reserve*, 159–60; Orth, *History of Cleveland Ohio*, 1:641–43, 652, 654.
74. *Annals of Cleveland* (for the *Cleveland Herald and Gazette*), vol. 20, August 7, 183, Rotch-Wales Papers, Massillon Public Library, Massillon, Ohio.
75. Perrin, *History of Stark County*, 402.
76. *Painesville Republican*, January 19, 1837, n.p.

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77. "Senate, Monday, January 23, 1837," *Western Hemisphere and Ohio Monitor*, January 25, 1837, 3. Although reports do not indicate the details of Granger's proposal, it is more likely his efforts were intended to hurt Kirtland rather than help their efforts because he would later vote against the Kirtland Safety Society. On the same day he sought to hinder the Kirtland efforts on behalf of "citizens from Geauga county," Granger introduced a petition supporting McLaughlin's bank proposal for Richland that had been so diligently pushed through the legislature.
78. Perrin, *History of Stark County*, 310–11.
79. During the first half day of issue, many of the Kirtland Safety Society's banknotes were stamped, written on, or altered in one of several different ways to indicate they were the issue of the Kirtland Safety Society Anti-Banking Co. By the end of the first day, this formality was dropped from the notes, and later notes issued in February and March included the original Kirtland Safety Society name unaltered. Benjamin Winchester later claimed that all of the unaltered notes were forgeries, complicating any conclusions derived from surviving notes ("Letter to the Daily Chronicle," *Public Ledger and Daily*, February 23, 1841, 3). However, in daily discussion, the fine distinctions in name use did not seem to make a difference anyway, since in primary sources no one bothered to note if they were talking about a bank or a company, distinctions that rarely made a difference when accepting local notes, and the institution was consistently known as the Kirtland Safety Society throughout its existence.
80. In addition, state and federal monies were apparently selectively directed to banks that had connections with specific political entities. For example, during the 1836–37 session of the Ohio General Assembly, the house committee on finance harshly criticized the deposit and disbursement policies of the fund board and specifically its arrangement with the Lancaster Bank, claiming the fund board transferred funds "almost immediately" to that bank without dispersing them more widely. There were not sound reasons for doing this, and "there was no evidence that the funds would have been less safe if deposited

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temporarily in other local banks” (Harry N. Scheiber, “Public Canal Finance and State Banking in Ohio, 1825–1837,” *Indiana Magazine of History* 65, no. 2 [1969]: 128). Because members of the fund board had financial ties to the Lancaster Bank, it appears that corruption played a role in these transfers (Scheiber, “Alfred Kelley and the Ohio Business Elite, 1822–1859,” 381).

81. The trial against Strong for attempted bribery then under way in the legislature and Grandison Newell’s later suit of Kirtland’s leaders for the loan plus interest rules out bribery of Geauga officials as a motive for the bank loan.
82. The Kirtland Safety Society “issued their notes which, for a week or two past, have circulated among us as money or bills of exchange, but they do not, as yet obtain a general currency. Not being received at the Bank in this place, those who are doing business with the bank, will not of course, take them” (*Painesville Republican*, January 19, 1837, 2).
83. Frederick Granger Williams, Account Book 1837–1842, 6, 22, 35, 51, Church History Library. This debt may have been owed to Williams or to the Safety Society, depending on what the ledger represented.
84. The first issue of banknotes was principally signed on Wednesday, January 4. Each sheet of notes printed included two one-dollar notes, a two-dollar note, and a three-dollar note. There were also sheets of three five-dollar notes and one ten-dollar note and sheets of two twenties, one fifty, and one hundred-dollar note that were signed in later issues. Remnants of overlapping signatures indicate that each sheet of four bills was signed while intact and then cut into separate notes. A surviving signed, uncut sheet has banknotes numbered sequentially without regard to denomination size. Joseph and Sidney crossed out the printed “Cashier” and “President” respectively, and wrote in by hand an abbreviated “Treasurer” and “Secretary” as an indication that the institution had changed from the hoped-for banking operation to a more widely accepted corporate endeavor while they waited to get a bank charter approved. The task to sign all those notes was daunting, and some notes issued on the same date bear the signatures of F. G. Williams P[ro] T[emperor] and N. K. Whitney P[ro] T[emperor], suggesting those two stepped in as clerks to help

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bank officials fulfill their note signing duty. On one surviving January 4 note, the word *Bank* is stamped out, leaving just “Kirtland Safety Society,” the name that appears in journals, letters, and other contemporary sources. A few other notes include a printed stamp changing *Bank* into *Anti-Banking* company to distinguish them from typical bank script. These notes had lower serial numbers, and in the rush to issue a large number of bills, this extra effort to create “*Anti-Bank*” may have been abandoned as the day progressed. The unchanged higher serial number bills may have been counterfeit ones. Benjamin Winchester claimed they were (Winchester, “Letter to the Daily Chronicle,” 3).

Orson Pratt’s name was carefully written on a three-dollar note with the serial number 4 on it, making it the first of those issued. Since his note was dated January 3, the first notes may have been signed on Tuesday as virtually everyone seemed to anxiously await their circulation. Even those not sympathetic to the Kirtland Safety Society acknowledged “its notes were taken by everyone, and by many were regarded as preferable to the ‘wild cat’ currency with which the west was flooded” (Kennedy, *Early Days of Mormonism*, 162). Some of these notes may have been quietly distributed before the January 9 opening. Jacob Bump assumed he was the first person to get banknotes early Wednesday morning by exchanging his other banknotes for “Kirtland funds” or “Kirtland money” as the bills became known locally (see also *Wilford Woodruff’s Journal*, 1:120).

Banknote no. 4029, a Kirtland Safety Society one-dollar bill issued to Orson Hyde, is the highest surviving serial number on a January 4 issue. This means at least \$7,000 in one-, two-, and three-dollar bills were issued in that first run but probably not much more than that. The *Cleveland Weekly Gazette*, which frequently attacked Kirtland Safety Society management, acknowledged at the beginning of February that after a month in operation the institution had issued notes worth “probably not over \$40,000” (*Cleveland Weekly Gazette*, February 1, 1837, n.p.). This small first-run issue of under \$10,000 in banknotes was an extremely conservative position for the Kirtland Safety Society to take since it was covered at between 85 and 100 percent of the

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bank's specie reserves, depending on whether one accepts as more accurate Warren Parrish's estimate (\$6,000) or Joseph Smith's estimate (\$10,000) of those reserves with additional stock subscriptions adding up to somewhere around \$20,000. Kennedy placed the bank's entire capital at \$5,000 (*Early Days of Mormonism*, 111). However, he failed to explain how he derived a figure that clearly contradicts financial documents and other contemporary accounts.

A statement published in the *Advertiser* and reprinted by the *Cleveland Weekly Gazette*, opposed to the Kirtland Safety Society, appears to give the clearest picture of bank finances by early February. At that point "the safety society (anti-banking co. we read it) has issued \$12,000, and has \$16,000 specie *now on hand*" ("Ignorance," *Cleveland Weekly Gazette*, February 8, 1837, n.p., emphasis in original). Although this amount of specie is higher than either Warren Parrish or Joseph Smith indicated, the institution had profited from a series of loans, exchanged notes for specie, and had different amounts at different times and suffered a severe run led by Grandison Newell at some point. It is reasonable to assume that all three estimates could have been accurate for different periods of the institution's history, with Joseph Smith's amount representing a beginning point, the *Cleveland Weekly Gazette* representing a high point with successful lending, and Parrish giving a specie figure that represented the point at which he took over leadership. If *Cleveland Weekly Gazette's* figures are correct, they suggest that on the eve of Medary's proposal for a Kirtland Bank Charter in the Senate, the Kirtland Safety Society was in strong condition.

Although all three estimates of specie may be accurate for different periods of the institution's history, Warren Parrish claimed his amount was accurate and Joseph's was not. Several individuals testified or confessed that Parrish changed their names or those of family members in the stock ledger. Arthur Deming identified six names changed in the ledger when he originally acquired it from Parrish's daughter. A careful study of microfilm copies of the ledger suggest at least two additional names were changed—possibly more names can be confirmed through studying the original manuscript.

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Since Joseph Smith made arrangements to pay the debts of the institution and Warren Parrish did not, this deliberate attempt by Parrish to change records suggests he was equally capable of giving false information about specie reserves. In addition, Warren Cowdery claimed that at the time, "There was a fair amount of specie in the vault to commence business, and friends enough who were ready to take the bills, carry them at a distance, and make exchanges for paper of other banks or specie, and return to this place" (W. A. Cowdery, "Kirtland, Ohio, July, 1837," *Messenger and Advocate*, July 1837, 536). This meant that the Kirtland enterprise probably began with more than twelve times the amount of hard currency in their vaults than the Bank of Geauga was asked to provide when forced to close its doors. Only extremists and radical hard currency adherents would typically have continued such an approach for long. "No knowledgeable man of affairs anywhere would have asked of currency that every last penny's worth of it be backed up by a specie reserve at 100 percent face value" (Edward Pessen, *Jacksonian America*, 138–39). The institution could have doubled its issue and still been among the most conservative financial enterprises in the country. The Farmers' Bank of Canton in Stark County had \$20,398 in circulation with \$1,969 in specie and \$1,406 in notes from other banks on hand in its vaults at the same time.

After the Kirtland Safety Society became involved with the Bank of Monroe and the first round of Safety Society loans fell due, Safety Society officials issued some additional notes in late February. These notes are rare, and it is impossible to say how many were issued based on survival rates, but a few of these February notes were five-dollar notes, suggesting that the Kirtland Safety Society had begun to issue its larger notes, perhaps expanding earlier loans. Almost all of the notes higher than three dollars date to March 9 when, based on surviving notes, a second major issue was distributed. This distribution included the first notes higher than five dollars with ten-, twenty-, fifty-, and one-hundred-dollar banknotes. The highest surviving serial number on these surviving high denomination notes is 209, suggesting they issued at least ten thousand dollars in larger notes (along with a small number of

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additional one-, two-, three-, five-, and ten-dollar notes). This second major issue of notes may have come after the Safety Society stopped exchanging notes for specie leading to a heavy discount of notes. If this was the case, these notes were not worth face value, suggesting why such large denominations were used. Warren Parrish's name appears on more January notes than any other individual, with eleven surviving notes issued to him (Church History Library, 7; Western Reserve Historical Society Library, 2; Community of Christ, 1; and a private collection, 1), along with three March issued notes. Orson Hyde and Orson Pratt's names appear on more March issued notes than any other individual, with Hyde receiving ten of the surviving notes (Church History Library, 7; Western Reserve Historical Society Library, 2; Community of Christ, 1; along with nine January issued notes and one February issued), and Pratt receiving twenty-seven notes (Church History Library, 12; Community of Christ, 9; Western Reserve Historical Society Library, 3; and private collections, 3; with most of these twenties, fifties, and hundreds). O. P. Goode borrowed ten surviving banknotes (Community of Christ, 5; Western Reserve Historical Society Library, 3; and the Church History Library, 2). Other individuals with one or two issued in their names include J. Carter, S. Foster, O. Goty, J. C. Kingsbury, V. Knight, I. Prouty, H. Smith, S. Smith, Williams, and an illegible name that appears to be H. Onu on one note and H. Ume on another. (It is not clear if the H. Smith notes were issued as loans to Henry Smith, president of the Bank of Monroe, or to Hyrum Smith in Kirtland.)

85. Joseph received a revelation countering lingering worries. He told those in the room with him that he heard the voice of the Lord and that he could hardly be more certain about their course of action. However, without sharing the contents of his revelation, he tacked on a warning "that if we would give heed to the Commandments the Lord had given this morning all would be well." Wilford Woodruff saw opposition ahead but prayed for the best, asking that the Lord would bless Joseph Smith and all the Saints and "support the above named institution & Protect it so that every weapon formed

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against it may be broaken & come to nought while the Kirtland Safety Society shall become the greatest of all institutions on EARTH” (*Wilford Woodruff’s Journal*, 1:120).

86. Howard Bodenhorn remarked: “Too many early historians wrote their histories of banks under the presumption that banks just let their notes go in the wind. Instead, they got their notes in circulation through the provision of loans. They kept them in circulation because they convinced locals that they stood ready to redeem the notes into legal tender when asked” (Howard Bodenhorn, Yale University, personal communication with the author, October 28, 2006).
87. Brigham Young’s account book was still virtually empty until the day before the Kirtland Safety Society opened its doors. Then on January 3, 1837, he committed to do a large painting job for the Society House. Owners hired him to paint both inside and out and primarily use expensive white paint with some additional colors. He even hired two additional workers to help him finish the job in two days. Then, on January 5, Sidney Rigdon hired Brigham Young to paint the inside of his home in three colors, and again Brigham hired others to help. “Boyington Johnson & C” also hired him to paint their store white, and John Boynton hired him to take care of sashes and windowsills of the Boynton home. Brigham Young again hired others to help (Brigham Young, Account Book 1836–1846, 2, Church History Library).
88. Jonathan Dunham, Account Book, October 28, 1836–March 27, 1837, Church History Library.
89. N. K. Whitney & Company Daybook, November 1836–April 1837, Community of Christ Library-Archives.
90. Kennedy, *Early Days of Mormonism*, 168.
91. J. H. Morley, Statement, November 7, 1902, Western Reserve Historical Society, Cleveland, Ohio.
92. Warren A. Cowdery clearly credited more than Grandison Newell with carrying out a run on the bank. He noted that “hundreds who were enemies,

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either came or sent their agents and demanded specie” (“Kirtland, Ohio, July, 1837,” *Messenger and Advocate*, July 1837, 536).

93. James Thompson, Statement, in Arthur B. Deming, *Naked Truths about Mormonism* (Oakland: Deming & Co., 1888), 3.
94. T. B. H. Stenhouse related a story that he apparently learned in “a letter by a Pittsburg banker to the Author.” In this account, a “Mr. Jones, a banker in Pittsburg” believed the Kirtland Safety Society notes to be valid “as these men professed to be prophets of the Lord, having daily communion with angels.” He gathered up as many notes as he could find and arrived in Kirtland with a satchel full expecting to get coin in exchange. Sidney Rigdon refused to redeem the notes because he considered it would harm the bank. Mr. Jones returned to Pittsburgh and distributed the notes back to the public, but would not take them in again. In this story the banker was surprised when his request to exchange large bundles of money was denied. Stenhouse concludes that runs like this killed the bank. But the story, as it is told, does not fit available evidence. The large bundles of notes Stenhouse describes fit more closely with the later history of the Safety Society after Sidney Rigdon was no longer president and either smaller amounts were returned or the Pittsburgh banker relied on the name written on the notes to recall who he had spoken to forty years later rather than a journal or other notation. In addition, by the time the notes were available in Pittsburgh and the banker could return them to Kirtland, banks throughout the country had stopped redeeming their notes. However, even if the story is not correct in its details, it is clear that at some point individuals did refuse to continue circulating Kirtland Safety Society notes and exchanged them for specie—and just as they were for the Mr. Jones of the story, religious attitudes were at the root of their behavior (T. B. H. Stenhouse, *The Rocky Mountain Saints: A Full and Complete History of the Mormons* [New York: Appleton and Company, 1873], 71–73).
95. Warren Cowdery, *Messenger and Advocate*, August 1837. Although Ohio state laws made it illegal for individuals to pass notes from unchartered institutions, similar notes were of course then in use in every community on the Western

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Reserve from land companies, canal construction firms, milling companies, and other financial institutions. Perhaps because the law was not enforced, there was uncertainty as to its validity. Painesville's two newspapers battled over this issue, with E. D. Howe's newspaper taking a solid stance against the Latter-day Saints. The *Painesville Republican* (January 19, 1837, 2) reported, "A law of this state passed February 23, 1816 'to prohibit the issueing and circulating of unauthorized Bank Paper,' published in the Telegraph last week, if now in force, might subject persons who give these bills a circulation, to some trouble. It is doubted, however, by good judges, whether the law to which we have alluded, is now in force, or if in force, whether it is not unconstitutional, and therefore not binding upon the people. That the law is an outrage upon equal rights no man can doubt, who has a drop of republican blood in his veins." This uncertainty in a neglected law turned into more than just idle threats, however, as Sarah Cleveland was arrested and jailed for passing \$390 in Kirtland money (*Cleveland Herald and Gazette*, July 17, 1837, n.p.).

The fact that the laws were not well known until they became a local focus of discussion attests to the general lax approach to their enforcement. The more information appeared as to the weak position that unchartered institutions held in the economy, the less support the community gave to Kirtland Safety Society banknotes. Warren Cowdery published the legal statute "for the benefit of our readers who have not ready access" which asserted that "unless a bank or banker was incorporated and authorized by the state, . . . all such notes and bills, bonds and other securities, shall be held and taken in all courts as absolutely void" (W. A. Cowdery, "Kirtland, Ohio, July, 1837," *Messenger and Advocate*, July 1837, 536). This loophole provided by recent law would not be published in the papers until after the second round of loans were due to the Kirtland Safety Society, which marked the end of wide circulation of banknotes.

96. E. L. Kelley, "From Painesville, Ohio," *Saints' Herald*, March 15, 1880, 85.
97. Joseph Young to Lewis Harvey, November 16, 1880, 7–8, Church History Library. Because Joseph Young is recalling financial dealings that took place

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more than forty years earlier and his figures give the same round sum of two thousand dollars, it may be that the sum is better considered an approximation than accurate to the last decimal.

98. *Cleveland Daily Gazette*, January 12, 1837, n.p.
99. This proposal was the first attempt to get a charter for the Kirtland institution that actually went to the floor for consideration. Not only is there no mention of another charter proposal in legislative records, but Medary later received the sole blame for trying to get a Kirtland charter.
100. Alfred Kelley supported the reform bill in the house and worked it through the approval process there. Harry N. Scheiber has portrayed Kelley as a Whig who sacrificed considerable financial opportunities to help the state, and although he was accused of banking and speculating during 1836, if this is true he made very little profit from it but paid his own salary while in office and donated property to the state (Scheiber, "Alfred Kelley and the Ohio Business Elite, 1822–1859," 365–92).
101. Helen P. Dorn, "Samuel Medary—Journalist and Politician, 1801–1864," *Ohio Archaeological and Historical Quarterly* 53 (1944): 16. The fact that Benjamin Tappan would help Medary refinance his bank loans immediately after Kirtland's bid for a charter and Medary would write Tappan to get approval for supporting a bank charter—perhaps the Kirtland one— suggests he also provided at least tacit support. That Tappan could be even remotely associated with Kirtland's bid for a bank is compelling since Benjamin, whose brother Lewis led the antislavery movement in America, saw banking reform as the real issue in American politics that would help do away with slavery and every other perceived evil in the nation.

Today it may seem crazy that anyone could think of slavery as a diversion, a red herring, and banking as the real issue on which the fate of freedom in America and throughout the world would turn. But that is exactly what radical Democrats did think. As Benjamin said to Lewis, "You are contending for great moral principles, & while you are doing this you are indifferent to the establishment of banks, &c. & yet it is thro the establishment of such

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machines that free principles are to be extinguished.” Victory in the immediate struggle against bank oppression would maintain the people in power and hold open the way for further progress toward liberty for white and black alike. Defeat would doom all (Daniel Feller, “A Brother in Arms: Benjamin Tappan and the Antislavery Democracy,” *The Journal of American History* 88, no. 1 [June 2001]: 61).

The involvement of Medary and Tappan in the Kirtland Safety Society proposal raises powerful questions about the relationship between their political stance and the Latter-day Saint bid for a charter. When Joseph Smith talked about the Kirtland Safety Society replacing other banks in America, was this an indication of his disapproval for the current banking system? Within a few decades, that system would be fully replaced within America with the foundation of today’s banking system. Benjamin Tappan’s views also raise strong questions about Cowdery’s political stance when within days of Cowdery’s return from closely associating with Tappan at the Democratic State convention, he began to distance himself from political abolitionists (Mark L. Staker, “‘Among Them Is a Man of Color, a Chief Man’: Black Pete, the Morley Family, and the Rise and Fall of Religious Enthusiasm in Ohio’s Mormonite Community,” unpublished paper at press).

102. *Western Hemisphere*, February 15, 1837, 2; and Ohio General Assembly, *Journal of the Senate of the State of Ohio*, Thirty-fifth General Assembly, 1836–37, 365–66. It is not clear why the proposal lowered the initial four million dollars the Kirtland Safety Society planned to raise in capital stock down to three hundred thousand dollars. Samuel Medary wrote a friend that he planned on introducing a proposal for a bank with a capital of five million dollars, perhaps a misstatement of Kirtland’s initial figure (Samuel Medary to Benjamin Tappan, February 19, 1837, Papers of Benjamin Tappan, Library of Congress). The higher figure was consistent with banks involved in major development projects such as building railroads. For example, the South Western Rail Road Bank began initially with six million dollars in capital stock but expected to raise its limit to twelve million dollars after laying a

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significant amount of rail lines. The New Orleans Canal and Banking Company started with four million dollars in capital stock. Perhaps Kirtland's officials hoped that three hundred thousand dollars would make the proposal more palatable to those promoting railroad projects in Geauga County or hoped it would ease charter acquisition.

103. Although Orson Hyde is listed as carrying out transactions in the N. K. Whitney & Co. Daybook on January 19 and 21 as well as on February 13 and 18, 1837, Cowdery is not listed in 1837's records until March 6. Because of his political connections, he may have gone to Columbus during the first part of the year to arrange for Medary to push for a charter. The *Cleveland Herald and Gazette* of September 8, 1837, urged people to judge those involved in the Kirtland Safety Society "at the ballot boxes" and subsequently noted on October 6, 1837, on the eve of the next elections that it was Samuel Medary who brought the Kirtland charter proposal forward. A Quaker descendant of William Penn, Medary did not comment on his support for the Latter-day Saints but never again sought elected office in Ohio. He went on to become a major voice in the Democratic Party outside of the state, however, serving as territorial governor of Minnesota, ambassador, and in numerous influential positions. Although others may have requested money to take the Kirtland proposal to the floor, Medary vigorously opposed corruption. He had money troubles and needed an extension on banknotes he had borrowed for two thousand dollars that fell due on February 27, 1837. Requesting that Kirtland's officials help him with his notes would have been a common arrangement. However, Medary did not receive assistance for offering the Kirtland amendment but soon worked out a six-month extension of the note through the Franklin Bank (Samuel Medary to Benjamin Tappan, February 19, 1837, Library of Congress).
104. Medary immediately confirmed his skill as a senator as he followed this failure with another amendment that offered a change to the proposed banking legislation. This second amendment passed as one of the most successful bills of the entire session with thirty voting in favor and three against (*Western*

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Hemisphere, February 15, 1837, 2; and Ohio General Assembly, *Journal of the Senate of the State of Ohio*, Thirty-fifth General Assembly, 1836–1837, 360–66).

105. *Painesville Republican*, February 16, 1837, 2. Although the authors of the *Painesville Republican* did not know Grandison Newell was writing articles for the *Painesville Telegraph*, they recognized Servantes as “the leading counsel” in the recently initiated legal action for unauthorized banking.
106. “Isaac Russell to the Editor of the *Christian Guardian*, Toronto, March 11, 1837,” Isaac Russell Correspondence, 1837–1840, Church History Library. Isaac Russell’s claim that the Kirtland Safety Society had not refused to redeem its notes “up to the present time” is difficult to confirm but may be correct based on continued resources used to acquire stock in Monroe and take care of other business arrangements. However, even though it is difficult to assess when the Kirtland Safety Society did quit redeeming notes it is clear that this happened at some point while Joseph Smith was still serving on its board. Cyrus Smalling provides an important overview of the brief history of the Kirtland Safety Society but does not carefully distinguish the role of specific individuals in the endeavor nor provide a careful chronology of specific events as it changed management. Thus, he implies that banknotes quickly became worth 12½ cents on the dollar, although he says “they continued to pass and sell the worthless stuff *until* they sold it at 12½ cents” (Cyrus Smalling, letter, in Lee, *The Mormons, or, Knavery Exposed*, 14; emphasis added). A careful reading of his account suggests that initially the Kirtland Safety Society continued to have specie in its coffers to redeem its notes. Warren Foote noted between May 20 and May 23 that banknotes were selling at 50 percent of face value, as cited below. Smalling acknowledges they had at least six thousand dollars in specie and that as people “holding their bills came to inquire into the Safety Society precious metals,” Joseph Smith showed them boxes he said were filled with coin, opening one box and showing it full of silver. Although Smalling speculates the rest of the containers were full of lead and shot, he offers this only as his opinion, having not looked

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in them. The N. K. Whitney & Co. Daybook notes that Sidney Rigdon purchased five pounds of lead on January 4, 1837. However, this was a reasonable amount for use as weights on scales and relatively insignificant in terms of the dollar figures discussed since ten thousand dollars in silver would weigh 660 pounds and “would be almost an ordinary cart-load” (George Tucker, *The Theory of Money and Banks Investigated* [Boston: Charles C. Little and James Brown, 1839], 55). It is unlikely Rigdon would have paid the sixty-three cents for the lead if he had it readily available from another source. Senator Henry B. Payne confirms that when he went into the basement of the deposit office he saw containers with “a few gold pieces on the top thereof” (Interviews of Prominent Officials by Franklin S. Richards and Charles W. Penrose, 1886–1890, Church Archives, courtesy of Steve Sorensen). However, he speculated without looking inside them, that the containers must have been empty. Warren Cowdery argued that some notes were redeemed while others were not as “hundreds . . . demanded specie till the officers thought best to refuse payment. This fact was soon rumored abroad as upon the wings of the wind; some returned their bills with curses, and some with entreaties for their redemption according to the character, temper and disposition of the holders. . . . Speculators and others continued to trade in the bills without any fixed marketable value, sometimes at one rate of discount and sometimes at another” (*Messenger and Advocate*, July 1837, 537). Since Cowdery noted that about this time, Joseph and Sidney resigned from the institution, the refusal to exchange currency occurred around late May or early June.

This general time frame is supported by David Foote’s account. He arrived at Fairport Harbor on May 8, 1837, and went immediately to Kirtland to visit his daughter Almira, who was living and working in the Lyman Johnson home. Foote found when he arrived that “times was rather hard in Kirtland and business very dull; . . . there was but little improvement going on.” By the time his son David Jr. arrived from Michigan on May 20, he found they “could not get much work and every body wanted to pay in Kirtland Bank notes which had then depreciated fifty percent.” Warren Foote said

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in retrospect that “the Kirtland Bank began to go down about this time” (Warren Foote, *Biography of David Foote, Foote Family Genealogy* ca. 1878–92, 7–8, Church History Library). Whether the Kirtland Safety Society refused to redeem for specie after the charter proposal came up before the legislature, as the data seems to suggest, or before it, as some later historians have suggested, it is clear the *Painesville Telegraph*’s accusations of bank closure came at a critical moment for the community, just before the charter proposal came forward and would influence the vote in the Senate to an extent.

Less than ten days after the notes were first issued, there were already signs of division among the Saints. “President Rigdon preached in the Spirit & exhorted the Church to union that they might be prepared to meet every trial & difficulty that awates them” (*Wilford Woodruff’s Journal*, January 15, 1837). David Whitmer condemned the Saints for pride and many sins arising in their days of prosperity “as the ancient Nephites did & it does now appear evident that a scourge awates this stake of Zion even Kirtland if there is not great repentance immediately.” Parley P. Pratt also warned the Saints to humble themselves, feed the poor, and clothe the needy or judgment would come “speedily” (*Wilford Woodruff’s Journal*, January 17, 22, 1837).

On January 24, Latter-day Saints in Kirtland were “threatened by a mob from Pa[i]nesville to visit us that night & demolish our Bank & take our property; . . . the wrath of our enemies appears to be kindled against us” (*Wilford Woodruff’s Journal*, January 24, 1837). Although Grandison Newell may have been behind these mobs as well, faithful Saints in Kirtland understood this rising persecution was due in part to their own failings to live the commandments. “This in part is the Scourge that hath awated us. But may the Lord show us mercy & deliver us from the hand of our enemies for Christ Sake” (*Wilford Woodruff’s Journal*, 1:123). It was three days after the mobbing that the *Painesville Telegraph* claimed the Kirtland Safety Society closed its doors. Whether correct or not, the rumor and innuendo were enough to add damage, however. Heber C. Kimball confirms that at some point during this period some members joined with non-members until banknotes *began*

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to fail. He noted “our enemies, being filled with jealousy and hatred, drew upon the bank till money began to fail; and in proportion as adversity came upon us, the faith of many began to fail; and being filled with the spirit of speculation, they ran greedily into the world, erred from the faith and joined our enemies” (Journal of Heber C. Kimball, “Life Incidents,” 178).

It is not clear when the Kirtland Safety Society stopped payments in specie whether they had significant amounts of coin left or not. Banks typically took the position that it was better not to pay out specie if the health of an institution was in jeopardy even if they could do so. When two other banks that started early the same year went through similar troubles at about the same time, their supporters argued it was reasonable to refuse to give out specie to keep the bank sound. “What right had Sandusky, or Massillon, or any other Bank, to accept or honor any draft for specie unless she has more than her capital stock on hand?” defenders offered (*Annals of Cleveland* for the *Cleveland Herald and Gazette*, August 7, 1837, vol. 20, Rotch-Wales Papers, Massillon Public Library, Massillon, Ohio).

107. *Wilford Woodruff's Journal*, 1:124.
108. This notice was reprinted in the *Painesville Republican*, February 2, 1837, n.p., but not included in the *Painesville Telegraph*.
109. Bryan, *Ohio Annual Register*, 93.
110. *Wilford Woodruff's Journal*, 1:124.
111. Ayer had recently moved up from New Orleans and established a boot and shoe shop in Buffalo. The Buffalo City Directory indicates he operated his store in the city from 1834 to 1836. He was still apparently living there into 1837 when he had enough money to invest in the Monroe Bank. Since his store ceased operation approximately when he began investing in the Monroe Bank, he may have sold the one to buy the other. He eventually settled for a significant period of time in Wisconsin, where he founded the First National Bank of Kenosha, which garnered deposits of 325 million dollars. He later served on a committee to bring the Democratic National Convention to Chicago (information courtesy of Steve Motteshard).

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112. Smith, *History of the Church*, 2:475. The phrase “entire establishment” here suggests that Cowdery’s Chester store may have been considered part of the O. Cowdery & Co. transferred at this time.
113. “The Bank of Monroe,” *Monroe Times*, August 18, 1836, n.p.
114. “Western Banks,” and “There is a penny paper in New York, called the Herald,” *Monroe Times*, September 29, 1836, 2.
115. “Bank of Monroe,” *Monroe Times*, August 18, 1836, 2; “At a meeting of the directors of the Bank of Monroe,” *Monroe Times*, August 25, 1836, 2; “Bank of Monroe,” *Monroe Times*, September 1, 1836, 2; “Western Banks,” *New York Daily Advocate*, September 10, 1836, n.p.; compare “Western Banks,” *Monroe Times*, September 29, 1836, 2; “Buffalo, N. Y.,” *Monroe Times*, October 6, 1836, 2; “Bank of Monroe,” *Monroe Times*, December 29, 1836, 2.
116. “At a meeting of the directors of the Bank of Monroe,” *Monroe Times*, August 25, 1836, 2.
117. The bank’s two thousand shares of stock had \$2.50 per share paid in at that point. Although bank stock was typically purchased in much higher installments, this institution did not have the egalitarian bent of the Kirtland institution since most of the shares were bought by a small group of New York investors—Christmas, Livingston, Prime, and Couter—who owned sixteen hundred shares, leaving local investors with the remaining four hundred. The bank had from thirty thousand dollars to eighty thousand dollars in deposits, depending on transactions under way, and at that moment had less than one hundred thousand dollars of banknotes in circulation, “being one third less than is allowed by law.” The board of directors assured readers they had enough specie available to meet all liabilities, had never refused payment on any of their notes, and confidently believed with the strength of their institution they would never reach that point (“At a meeting of the directors of the Bank of Monroe,” *Monroe Times*, August 25, 1836, 2). Although not as strong as a few banks in Ohio and further east, the picture was of a stable, growing institution.
118. “Bank of Monroe,” *Monroe Times*, September 1, 1836, 2.

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119. "Bank of Monroe," *Monroe Times*, February 2, 1837, 2; also *Cleveland Weekly Gazette*, February 15, 1837, n.p.
120. "Bank of Monroe," *Monroe Times*, July 28, 1836, 3. B. J. Hathaway operated a new hardware store in Monroe when bank administration was reorganized. The main role of directors was to serve as "men of high standing and good character" who stood behind an institution and endorsed its efforts. They also served an advisory role. The bank president focused these efforts and served to influence the direction of the bank. A bank's most important employee was the cashier. A cashier countersigned banknotes first signed by the president. He oversaw the conduct of bank tellers and other employees to monitor their integrity and behavior. He also examined, usually daily, the cash accounts of the bank and was expected to know at any moment where those accounts stood. He handled the submission of all loan requests and would notify borrowers when the board approved their loans. He attended all directors meetings and was responsible for bank correspondence. A cashier's job was central to a bank and touched every aspect of its operation. It required an individual's full focus, and many could not escape their role in a bank's operations even in the evening. Because of this, cashiers were often allowed to live in quarters above the bank's offices while some were even required in bylaws to live at the bank (Bodenhorn, *State Banking in Early America*, 24). The heavy duties of a cashier were particularly noticeable at a rural or small-town bank. Salaries for large banks between 1803 and 1840 would often pay a bank president \$3,000 and a cashier around \$2,500 a year. In smaller banks a cashier was always paid more than the president, with salaries for presidents between 1810 and 1842 running from \$250 to \$800 and typically hovering around the lower end, while cashiers made more than \$1,000 and sometimes as much as \$1,200 in a year (Bodenhorn, *State Banking in Early America*, 32). The Kirtland Safety Society stipulated one dollar per day as salary for its directors, a high salary for typical institutions. It is not clear how much its president (Sidney Rigdon) or cashier (Joseph Smith) made.

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121. "Bank of Monroe," *Monroe Times*, February 16, 1837, 2.
122. Ohio laws did not prohibit an individual from serving as a director for two different banks in the state. This law was under review in the legislature at the time with several proposed revisions, but even with the proposed revisions it would not limit service as a director in another institution out of state. However, Oliver Cowdery was not listed as a bank director in Kirtland that same week, and he likely withdrew from that position when he became a director for the Bank of Monroe.
123. Kirtland Safety Society to Bank of Monroe, photocopy of manuscript, Church History Library.
124. Announcements of the Latter-day Saint acquisition of the Bank of Monroe were reprinted in the *Painesville Republican*, February 23, 1837, n.p. By the time leaders returned from Michigan and it was clear that an attempt for a Kirtland charter failed in the legislature, opposition had already begun to rise among the membership. It appears that Solomon W. Denton was among those who lost his faith at this juncture. Hyrum Smith later testified in court that he went with Joseph "to Michigan last February; on their return, they were informed that Denton had said he would take defendant's life, and that he (Denton) would swear the defendant had threatened to destroy Mr. Newell." Denton was excommunicated in April "for lack of faith," perhaps connected to banking, after which he went to Michigan to visit his family and met with Oliver Cowdery. He argued that he borrowed pistols from Cowdery to attack Grandison Newell "in obedience to the command of Smith communicated to me by Davis." Denton clearly was never willing to say that Joseph Smith had ever asked him to do such a thing directly. It was apparently around this time that Joseph Smith first learned of an alleged plot by Denton to attack Newell himself. The newspaper summary of Rigdon's court testimony says "about two years since," placing it early in 1835. If this was a misstatement by the reporter and Rigdon originally said two months, it would place the plot at the time of Denton's excommunication, since his testimony centered on threats Denton claimed had been made at the bank

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that was only six months old. This would fit Rigdon's recollection that he did not have much influence with Denton at the time and that "Denton was excommunicated about two or three months since." However, since the original court transcripts do not appear to have survived, there is no way to evaluate the reporter's transcription. Supporting an earlier date for the original plan, Rigdon noted Denton was allowed to remain in the Church for a while, after supposing he and his companion "had desisted from their evil course." It is clear that the Painesville mob's coming against the bank and Newell's blatant attacks on their community led to serious discussions as to how they should appropriately respond. Sidney Rigdon noted, "We often discussed the question, how far we should suffer, before we offered violence in self-defence," but it appears they determined to continue suffering even if it led to the destruction of their homes, their community, and their peace. A summary of the trial testimony is published in "The State of Ohio vs. Joseph Smith, Jr.," *Painesville Telegraph*, June 9, 1837, n.p. When Brigham Young learned of Denton's plot, he recalled, "I procured a horse and buggy, and took Brother William Smith along to meet Joseph. We met him returning [from Monroe] in the stagecoach. Joseph requested William to take his seat in the stage, and he rode with me in the buggy. We arrived in Kirtland in safety" (*Deseret News Weekly*, February 10, 1858, n.p.).

125. On February 10, as the group arranged for the transfer of stock ownership, temperatures rose to a high of thirty-two degrees with some cloudy weather. However, heavy snows, wind, and ice, with temperatures dropping down to two degrees, likely kept the group in Monroe for several days before warm weather and rains opened travel on February 15 ("Note of the Thermometer," *Monroe Times*, March 9, 1837, 2). The group may have left shortly after the weather turned.
126. *Wilford Woodruff's Journal*, February 19, 1837.
127. G. S. Pelton, Statement, in Deming, *Naked Truths about Mormonism*, 3.
128. "Monroe Bank," *Monroe Times*, February 16, 1837, 2.

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129. Henry Smith did not explain why he left the institution but dissolved his connections with the bank for “several reasons” (“Bank of Monroe,” *Monroe Times*, March 2, 1837, 2).
130. The vote to raise stock at the February 10 meeting, in conjunction with the withdrawal of the bank’s cashier, followed two weeks later by the resignation of the bank president, leaves open the possibility that the bank was in trouble before the new stockholders came on board. However, the fact that the institution continued in operation for several years afterward suggests this was probably not the case. As soon as Henry Smith resigned as president of the bank, the *Painesville Telegraph* critically insinuated that “O. Cowdery, Secretary in the Gold Bible imposition” was part of the administration and challenged that this alone gave the public enough information that they “may judge from this fact, as to the permanency of the institution” (“Monroe Bank,” *Painesville Telegraph*, February 24, 1837, 2).
131. Immediately after Henry Smith’s resignation, but three days before the *Monroe Times* published a notice the bank would temporarily close its doors, the newly baptized Willard Richards “was set apart to accompany Elder Brigham Young on a special business mission to the east.” The following day the two men were on their way to Buffalo, New York. The suddenness of their journey suggests they had not expected Henry Smith’s resignation and may have gone to Buffalo to take care of financial issues there. They continued on to Rochester, Albany, New York City, Boston, and Providence, stopping in smaller towns along the way to raise money before Brigham Young left Willard Richards to continue as he headed back to Kirtland, arriving there in early May just before the Bank of Monroe was set to reopen its doors on May 18 (“History of Willard Richards,” *Millennial Star*, February 25, 1865, 120).
132. “For the Telegraph,” *Painesville Telegraph*, March 31, 1837, 3.
133. “The Bank of Monroe,” *Monroe Times*, March 16, 1836, 2.
134. “Postscript!” *Monroe Times*, May 18, 1837, 2.
135. Bank officers at the time surmised that the Specie Circular led to the banks’ collapse (John Jay Knox, *A History of Banking in the United States* [New York:

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Bradford Rhodes & Company, 1900], 676; and H. C. Carey, *The Credit System in France, Great Britain, and the United States* [Philadelphia: Carey, Lea & Blanchard, 1838], 90–91). Peter Rousseau has recently argued and provided abundant data to conclude that Andrew Jackson's Specie Circular moved the nation's gold and silver from eastern financial markets to the West which directly led to the collapse of American banking and the Panic of 1837 making it "among the most severe in [America's] history" ("Jacksonian Monetary Policy, Specie Flows, and the Panic of 1837," *Journal of Economic History*, June 2002, 457–88). Others have recognized the importance of specie policy to the panic as well (Jane Knodell, "Interregional Financial Integration and the Banknote Market: The Old Northwest, 1815–1845," *Journal of Economic History* 48, no. 2 [June 1988]: 289–90, 293. Bank officers at the time also recognized the Specie Circular led to their collapse; Knox, *History of Banking in the United States*, 676; and Carey, *Credit System in France, Great Britain, and the United States*, 90–91).

136. Andrew Jackson expressed frustration that speculators would get banknotes and pay them to public agents, who then deposited the money in the bank for bankers to purchase more public land. "Indeed, each speculation furnished means for another," he told America (*The Addresses and Messages of the Presidents of the United States* [New York: Edward Walker, 1842], 932). Because speculation and debt were becoming as much a part of everyday life as were brimmed hats and corsets, Jackson issued a circular partially implemented in late 1836 but completely in force beginning January 1, 1837, requiring all land purchased from the federal government be paid for in silver and gold coin. His policy led to a scramble for specie, particularly out west, where speculation was so common and particularly in Michigan, where federal land was still selling at a rapid pace. (Even Kirtland still had over five hundred acres of unregistered federal land at the beginning of the year). This policy led to a drain of specie in New York City and New Orleans, the two major international trade centers in the country, and an abundance of specie in Michigan and Ohio, where much of the land trade then took place.

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137. Golembe, *State Banks and the Economic Development of the West, 1830–44*, 273.
138. “Money-Making Operation,” *Monroe Times*, August 18, 1836, 2. Businesses at the same time were encountering trouble. On January 26, New Jersey’s legislature loaned its school fund to a railroad company that needed help, and Pennsylvania’s legislature appropriated \$150,000 to cover a shortfall in interest due February 1. As if to make matters worse, the nation suffered from a poor wheat crop in 1836, which contributed to higher prices.
139. Peter Temin, *The Jacksonian Economy* (New York: W. W. Norton, 1969), 113.
140. The Loan Law also provided for “the issue of state bonds to finance subscriptions, on a matching basis, to any railroad, canal, or turnpike corporation that met certain minimum qualifications” (Scheiber, “Alfred Kelly and the Ohio Business Elite, 1822–1859,” 384).
141. “Specie Reaction,” *Monroe Times*, June 8, 1837, 3.
142. Understanding of the free banking in America has grown dramatically over the last few decades. Previously, the generally accepted views—in place for more than a century—were based on little more than anecdotal evidence. The common perception of wildcat banking and wide corruption in America’s banking system does not hold up under careful scrutiny today. It turns out that “the bank closings and noteholder losses of the period were caused not by banks cheating their noteholders, but rather by banks and their noteholders simply responding to capital losses sustained because of market forces” (Arthur J. Rolnick and Warren E. Weber, “Free Banking, Wildcat Banking, and Shinplasters,” *Federal Reserve Bank of Minneapolis Quarterly Review* 6, no. 3 [Fall 1982]: 10).
143. Gerald P. Dwyer Jr., “Wildcat Banking, Banking Panics, and Free Banking in the United States,” *Economic Review*, December 1996, 6–7, 17.
144. Dwyer, “Wildcat Banking,” 6.
145. Surviving one-, two-, three-, four-, five-, and ten-dollar Monroe banknotes are in the Church History Library, with the highest surviving numbered note a one-dollar note numbered 6350. Dates do not match times when bank

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officials were known to have been involved in operations, suggesting that they were dated sometime before being signed. This means that dates on notes are not useful for determining when loans were actually issued. One note signed by Oliver Cowdery and B. J. Hathaway is not numbered, dated, or issued to a specific individual. This suggests that some of the notes were presigned and may have been issued while Cowdery was in Ohio.

146. Banknotes were essentially a tangible reflection of faith—faith in the abilities of the financial institutions involved, faith that they could redeem notes if they should so desire, faith that the country’s economy would continued to expand, and faith that Europe would continue to buy cotton in massive amounts and send throngs to America’s teaming shores to buy land and settle the frontiers. “Everything would have been lovely,” remarked a historian of America during the period, “if these ‘crises of confidence’ had not arisen, if people had stilled their doubts and agreed to agree that the note in hand was truly worth what it claimed to be. But that was asking too much” (Pessen, *Jacksonian America*, 138). Painesville’s leading citizens understood this principle as well. Several years earlier, another bank that circulated bills in the county encountered troubles when there developed “strong suspicions in the public mind as to the solvency of the institution.” Reports were accordingly raised prejudicial to the bank. As a result, merchants generally refused to accept their banknotes while other local institutions charged a discount of from 5 to 10 percent, typical for exchanges of distant notes. The editors of the *Painesville Telegraph* noted their paper “purposely abstained from spreading the alarms in this vicinity heretofore rather choosing to wait for something more definite on the subject—for the existence of banks is found of late to depend as much upon public opinion as any institution whatever” (*Painesville Telegraph*, August 25, 1826, 3). As soon as the *Black Rock Gazette* announced in their paper that the bank was sound, the *Painesville Telegraph* passed on the news to build up public support leading to the bank’s success.

147. Orth, *A History of Cleveland Ohio*, 642.

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148. Golembe, *State Banks and the Economic Development of the West, 1830–44*, 441.
149. One signed banknote in the Church History Library, issued to D. Nebeter and dated October 2, 1838, was signed by B. M. Morrison as bank president. This could be the same B. M. Morrison who borrowed money under the signature of O. Cowdery earlier, but this is not yet confirmed. The Bank of Monroe was likely a victim of the repeal of Michigan's General Banking Law in 1839. The number of Michigan banks after that repeal fell from twenty-eight in 1839 to two by 1843 (Donald R. Adams Jr., "The Role of Banks in the Economic Development of the Old Northwest," in *Essays in Nineteenth Century Economic History: The Old Northwest*, ed. David C. Klingaman and Richard K. Vedder [Athens: Ohio University Press, 1975], 210). It is striking that the Bank of Monroe survived so long as an institution while many of Michigan's other banks collapsed all around it, with losses to noteholders climbing to as high as four million dollars in 1839 (Rolnick and Weber, "Free Banking," 11).
150. Golembe, *State Banks and the Economic Development of the West, 1830–44*, 440–42, 456.
151. N. K. Whitney & Company Daybook, November 1836–April 1837, entries for March 6, 7, 9, and 17 for Oliver Cowdery.
152. Nothing has yet surfaced suggesting when or how the Latter-day Saints separated themselves from the Monroe institution. However, Harvey Hollister suggests that a charter was no longer relevant to Michigan banking by noting: "The substance of the general banking law passed March 15, 1837, was as follows: Any persons could form an association for banking business. The subscribers to stock were to elect nine directors for each bank; they to choose a President and Cashier. The Directors to be residents of the State, and at least five of them of the County in which the bank was located. Bonds and mortgages executed by the stockholders upon unencumbered real estate within the State, to be estimated by the Treasurer, Judge, Clerk and Sheriff of the County, in the name of the Auditor General for the use of the State,

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and its true cash value, exclusive of buildings, to the full amount for which the Association should become indebted, were to be taken and held for the final payment of all liabilities. The amount of bills issued or circulated and the amount of loans and discounts should never exceed twice and a half the amount of capital stock paid in" (Harvey J. Hollister, "Banks and Banking," in *History of the City of Grand Rapids, Michigan*, ed. Albert Baxter [Grand Rapids, MI: Munsell & Company, 1891], 667).

153. Warren Parrish, "Letter to the Editor," *Painesville Republican*, February 5, 1838, cited in Deming, *Naked Truths about Mormonism*, 4. Although Parrish wrote the letter to defend his own actions and was highly motivated to say things that would keep him from prosecution, his summary of Joseph's teachings about the bank is consistent with Wilford Woodruff's contemporary diary entries.
154. William A. West, *A Few Interesting Facts Respecting the Rise, Progress and Pretensions of the Mormons* (n.p., 1837), 14.
155. Outside the community, there was generally a lack of support for the Safety Society because "the unpopularity of our religion, together with the institution being an unchartered one, tended to render the circulation . . . limited" (W. A. Cowdery, "Kirtland, Ohio, July, 1837," *Messenger and Advocate*, July 1837, 536). Within the community, a lack of faith in Joseph's leadership began to spread as some tried to bolster support for him. Lack of support for the Kirtland Safety Society by members received more focus in discussion than outside opposition and appears to have been a much greater concern. On the seventh anniversary of the organization of the Church, members were reminded to "keep in view the institution of the Kirtland Safety Society & if the Elders of Israel would be faithful & do what was in their power this once Kirtland should speedily be redeemed & become a strong hold not to be thrown down" (*Wilford Woodruff's Journal*, 1:134). These warnings continued growing more forceful as the days passed.

Sidney Rigdon reminded the Saints that their enemies would be glad to starve them to death, alluding to the attempt three and a half years earlier

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by Kirtland gristmill owners Azariah Lyman and Austin Loud to buy up all the grain and withhold it from members. Despite leaders' warnings, "many of the Church had refused Kirtlan[d] Currency which was their temporal salvation in Consequence of this they put strength in the hands of their enemies & those that had done this thing must suffer by it" (*Wilford Woodruff's Journal*, 1:138). Members that did not have hard currency often had grain, which was as good as gold. But instead of exchanging grain for Kirtland notes, "flour and provisions were turned towards other markets" as members created the same situation they experienced earlier through Lyman and Loud, although this time the problem was of their own making (Smith, *History of the Church*, 2:488).

Members were again warned of the scourge that awaited those who professed to be friends of the Kirtland Safety Society but "opposed the Currency & its friends." They were viewed as "traitors" and "Covenant Breakers which will feel the wrath of God as true as Joseph is a prophet." Joseph even warned their murmuring could lead to mass apostasy, fearing "lest but few be left to receive an inheritance" (*Wilford Woodruff's Journal*, 1:138). Despite the anxious warnings and sharp chastisement, murmuring and complaining increased. Members were not accepting Kirtland funds as payment. An invitation to "the brethren from abroad, to . . . take stock in [the] Safety Society" produced no new investments (*Messenger and Advocate*, January 1837, 475).

156. *Wilford Woodruff's Journal*, May 28, 1837. Woodruff, a Seventy but not a member of the bank's board of directors, still consistently supported the Kirtland Safety Society, telling those faltering, "You will all go to hell unless you repent. Joseph has been raised up by the power of God, . . . and you will fall and go to perdition unless you repent of your sins and turn from the position you are in to-day" (Brian H. Stuy, ed., *Collected Discourses*, 5 vols. [Burbank, CA: B. H. S. Publishing, 1897–1992], 4:290–91).

157. Stock share percentages are based on current figures listed in the surviving Kirtland Safety Society stock ledger of 39,020 shares. The surviving ledger does not include entries for everyone listed in the index, and there may have

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been an additional ledger which, if discovered one day, may adjust the figures and provide more detail on the ratio of investments. Because stockholders could vote by proxy, the Joseph Sr. and Lucy Smith family in theory represented the largest voting bloc at stockholder meetings. Not only did their sons Joseph, Hyrum, and Samuel own stock, but their daughters Sophronia, Catherine, and Lucy, and daughters-in-law Emma and Jerusha, owned stock also. Excluding uncles, cousins, and other relatives, after bank director David Whitmer gave fifteen-year-old Lucy Smith his one thousand shares, the Smith family controlled 12,800 shares for 33 percent of all the recorded Kirtland Safety Society stock. Sidney, Phebe, and their daughter Nancy Rigdon had the third-largest controlling interest, with a total of 4,400 shares for just under 11 percent of the stock. Between these two was the Johnson family. John Johnson purchased the maximum number of shares for a single individual at 3,000. While Joseph and Sidney paid a full first installment, John leveraged his purchase. Instead of buying only what he could at full first installment, he paid twenty cents a share. His son Luke and daughter Emily acquired an additional 5,200 shares at full first installment price of twenty-six cents per share. This gave the Johnson family just over 13 percent of all known Safety Society stock.

158. Through Rounds, Grandison Newell obtained warrants for Kirtland's officials on February 9, likely anticipating that the proposal for a charter would come to the floor in Columbus the next day, but the case was not considered until after Cowdery returned from Michigan. Besides legal questions about charter issues, the Safety Society was also fighting action for debt to the Bank of Geauga for "several thousand dollars." Although they only borrowed three thousand dollars, they had to give bonds for eight thousand dollars until they resolved the issue (Kennedy, *Early Days of Mormonism*, 159). Since the two sides quickly settled out of court on the loan for an undisclosed amount, the Kirtland Safety Society still had financial resources at its disposal.
159. John Johnson's son Luke later summarized, "after performing many good works tending to the advancement of the kingdom of God, his mind became

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darkened & he apostatized” (History of Luke Johnson, by Himself, draft manuscript for later published version, Church History Library). Luke Johnson’s history was prepared in several draft forms, and he crossed this statement out, preferring not to say anything negative about his father in the later published version.

160. On May 22, John Johnson sold eleven acres to his son-in-law Oliver Olney and to Parley P. Pratt. A day later Pratt wrote a letter defending himself. Pratt noted he had “at Length Become fully convinced that the whole scene of Speculation in which we have Been Engaged is of the Devel; I allude to the covetous Extortionary Speculating Spirit which has reigned in this place for the Last season” (Parley P. Pratt, Statement, in Deming, *Naked Truths about Mormonism*, 4). Pratt designed to “get out of the snare,” particularly because he had purchased three lots at high prices from the Prophet and was now certain he could not pay for them. Pratt later explained he very briefly was “overcome by the same spirit” of murmuring and division others expressed but soon changed his perception, went to Joseph and asked for forgiveness, and left on another mission (*Autobiography of Parley P. Pratt* [Salt Lake City: Deseret Book, 1979], 168). John Johnson also sold property to Susan Johnson and Susanna Boynton, the wives of his son Lyman and friend John F. Boynton. He sold land to Polly Voce (also spelled Vose), a creditor of his son Lyman, to Sylvester Smith, who had just split with the Church and announced himself an atheist; and to a number of others who were not happy with Church leaders. On May 29, John sold property to his son Luke’s wife, Sarah, and divested the large tract of Church property left over to his son John Jr. (*Geauga County Property Deeds*, May 22, 26, 29, and 30, 1837). Although the role of the Peter French property in supporting the Kirtland Safety Society is not clear, it was very common for corporations or other lending institutions in the Western Reserve to use land as capital to back their lending activities. An active program of land acquisition as part of the Kirtland Safety Society’s early operations suggests that land played a role as collateral in Kirtland.

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161. During the sell-out, on May 27, Oliver sold John Johnson two city lots immediately west of the temple where he previously kept an office. Cowdery took six hundred dollars for the lots, the same amount John received for his stock (Geauga County Property Deeds, May 27, 1830, vol. 24, 374).
162. The Kirtland Safety Society's semiannual manager's meeting was set for Monday, May 1, 1837, at 9:00 a.m., and presumably took place as the official corporate Articles of Agreement stipulated. Changes in administration would typically take place during this meeting. It appears that Joseph Smith was approved in his position at that meeting because he and Rigdon seemed in charge of the association's activities. If they did step down, it still was not until June that Warren Parrish, the bankteller and secretary, clearly filled the role of president. Joseph opened the Sunday, May 28 meeting, as opposition first evidenced and "spoke to the people in the name of the Lord in his own defence." Wilford Woodruff was convinced Joseph would stand and his enemies would fall and believed "the honest" in the audience all came to the same conclusion. Sidney Rigdon then rose and supported "Joseph in his integrity." He was followed by Warren Parrish, who "in the blackness of his face & corruption of his heart stretched out his puny arm and proclaimed against Joseph." Joseph's response to this bitter opposition was not recorded, although an observer noted, "Joseph acted wisely while all saw the spirit of his foe" (*Wilford Woodruff's Journal*, 1:147). It is difficult to get a sense of the perceptions of the opposition to this meeting. When John Boynton was challenged, he responded that his difficulties with the Church did not start with his involvement with the store. He blamed his conduct on "the failure of the bank." He argued it was "instituted by the will & revelations of God, & he had been told that it never would fail." His argument rang hollow, given he did not involve himself with the institution until after Joseph left it and published a notice that he no longer supported it. Although Joseph Smith did not deny the Safety Society was instituted by the revelations of God, he "stated that he always said that unless the institution was conducted upon righteous

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- principles it could not stand” (Kirtland High Council Minutes, September 3, 1837, Church History Library).
163. Some members brought Lyman Johnson, Frederick G. Williams, David Whitmer, Parley P. Pratt, and Warren Parrish before the Kirtland high council because they were “aggrieved” with the conduct of these men. The council could not agree on how they should proceed in several of the cases, and they “dispersed in confusion” before even considering the charges (Kirtland High Council Minutes, May 29, 1837, Church History Library; see also *Wilford Woodruff’s Journal*, 1:148).
164. John Boynton’s sister Mary died and was eulogized in a funeral at the temple (Aroet Lucious Hale, *Diary of Aroet Lucious Hale*, typescript, 3, Perry Special Collections). His family did not blame his change in attitude on this death, however. John’s nephew wrote that his uncle’s faith faltered when “the Prophet Joseph Smith called on him for money [to redeem land that he purchased]. He had the money but refused. This was the turning point in his life” (Hale, *Diary*, 4). On March 25, Parley P. Pratt lost his wife, Thankful, who left behind a newborn son. Parley recalled, “I was left to toil and struggle alone. My grief, and sorrow, and loneliness I shall not attempt to describe.” The entire community struggled as “many hundreds . . . wept sorely” at her death (*Autobiography of Parley Parker Pratt*, 167).
165. Lyman Johnson and Orson Pratt delivered a list of charges against the Prophet to Bishop Newel K. Whitney “for lying and misrepresentation. Also for extortion” (document in Newel K. Whitney Collection, Perry Special Collections).
166. “You will recollect what was said of him by Elder Parish the Sabath before, and also what was said by others under those circumstances,” Mary Fielding added in her letter to her sister in Canada, implying that the bitter controversy and lack of support for him contributed to his illness. She noted that a few days later Joseph “had to call upon his wife or some Friend to pray” that he might conquer death. Meanwhile, Parley P. Pratt argued that Joseph Smith and “nearly all the Church” had departed from God, presumably

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because most still supported their prophet. As Joseph lingered on the verge of death, the controversy continued the next Sunday. “Elders Pratts, Parrish & many others” spoke critically of Joseph; then Sidney Rigdon stood, noting “he could hear no more and he would hear no more; . . . he then left the stand and went out of the house many others following. [Mary Fielding] staid a short time and heard Oliver Cowdery make a few remarks endeavoring to reconcile things a little what he said was very good but when Orson Pratt began [Mary] and a great many more left the Hous” (Mary Fielding to Mercy Thomson, June 1837, Mary Fielding Smith Collection, Church History Library). I am grateful to Ron Esplin for making me aware of this collection of letters.

167. After a week of illness, Joseph was again criticized in the temple but apparently was not at the meeting. After this second challenge, Jared Carter and others fasted and prayed for Joseph Smith nearly all night. During this intense spiritual quest, “Bro. Carter saw in a vision a grave open to receive him J. S. But saw the Earth fall in of its own accord and fill up the grave with no person in.” On the heels of this vision, Joseph made rapid recovery and was able to move about in three or four days (Mary Fielding to Mercy Thomson, June 1837, Church History Library).
168. Smith, *History of the Church*, 2:497. As Joseph Smith came out of his illness, and returned to leading the Church, he noted, “In this state of things . . . God revealed to me that something new must be done for the salvation of His Church” (*History of the Church*, 2:489). This was principally a response to a proposal Joseph Fielding made earlier that he go on a mission to England. The call for missionaries appears to have been the main “new” thing they were to do for the salvation of the Church, but Joseph moved at the same time to separate himself from the Kirtland Safety Society.
169. “So many of the Bank directors are become unfaithful that Brother J. S. says he does not know that it will rise again. he says . . . some pull one way and some another it requires the united efforts of all and when this will be the case the Lord only knows . . . as the time draws nearer for the important trial

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whether they receive—or reject the everlasting Gospel” (Mary Fielding to Mercy Thomson, June 1837, Church History Library).

170. Smith, *History of the Church*, 2:487.

171. Smith, *History of the Church*, 6:429. Joseph Smith warned members and “friends” in the newspaper that the institution had been taken over by “speculators, renegades and gamblers,” words used by others in America at the time to describe unsound banking institutions. Joseph clearly expressed his disapproval of their approach, which was “detrimental to the best interests of society, as well as to the principles of religion” (*History of the Church*, 2:507). However, he never defined the differences between the two opposing strategies. Banknotes would often still be in circulation long after debts were paid. Banks wanted this to happen and in fact counted on it happening. This allowed them to loan larger percentages and keep fewer reserves on hand for exchange. The Kirtland Safety Society hired David Carter in Akron as an agent to make loans in that vicinity to promote the phenomenon of wide distribution and likely also to keep people like Grandison Newell from buying up the notes and immediately redeeming them (Sidney Rigdon, Joseph Smith, Frederick G. Williams, Reynolds Cahoon, David Whitmer, and Oliver Cowdery to D. K. Carter, January 14, 1837, Church History Library). I am indebted to Steven C. Harper for making me aware of this document. Faithful Latter-day Saints sought to take up as many of these circulating banknotes as they could, pulling them from the market so that Oliver Granger and Jared Carter could resolve the complex web of remaining cash and specie, banknotes, bank stock, and Church property titles. Joseph Fielding, Ethan Spencer, and John Snider contributed all of their “Kirtland Money” to the Safety Society to purchase additional stock in an apparent effort to help them redeem the notes. Part of the process of gathering up banknotes included exchanging them for property. A few surviving notes have “cancelled” written across their front, including one with information written on the back, suggesting it was exchanged for property. These notes were once in the collection of Alvin Rust and are illustrated in

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Alvin E. Rust, *Mormon and Utah Coin and Currency* (Salt Lake City: Blain Hudson Printing, 1984), 11–12, but have since been sold and are in a private collection.

172. Their timing was significant because their withdrawal came just as the first round of dividends for their investments fell due. There were clearly no profits as the entire Joseph Smith Sr. family turned their shares over to the pair along with Brigham Young's two thousand shares, Parley P. Pratt's one thousand shares (having recently begged forgiveness), and eleven other individuals' shares. The financial loss hit the Joseph Smith Sr. family the hardest.
173. Brigham Young kept better financial records than most while in Kirtland, and he was skilled at handling money. Particularly in his later life, when he related events connected to the history of the Kirtland Safety Society, Brigham Young had considerable business experience and even direct banking experience. His expectation, along with those of most other Latter-day Saints, that notes would be completely withdrawn from circulation as they were redeemed fits precisely with how 1830s banking operated. He later recalled how he "deposited some money in the bank which, while it had been in his possession, he had put a private mark on. He wished to help a family to emigrate to Missouri, and had occasion to sell a piece of land for that purpose. Oliver Cowdery was the purchaser. He was to pay for it in Kirtland Bank money, Brother Brigham supposing that he would be helping the bank by taking up money that was in circulation. As soon as he commenced to count the money he saw they were his marked bills which he had deposited a few days before in the bank, and which ought to then be in its vaults. Warren Parrish was the principal operator in the business. He had his partners, and they did not stop until they had taken out all the money there was in the bank, and also signed and issued all the [new] notes they could. Many of the Elders and Saints were very desirous to keep up the credit of the paper and they would sell anything they had for it, to take it up. This gave Parrish and his confederates great opportunities to swindle the Saints and obtain their property; for when the money was redeemed and returned to the bank,

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instead of being retained, it was taken out again and given to speculators and gamblers to repeat the same process by buying up more property” (Andrew Jenson, *The Historical Record* [Salt Lake City: Andrew Jenson History Company, 1886–90], 5:433–34).

The property transaction between Oliver Cowdery and Brigham Young was not recorded in the county property deeds. It was apparently part of the land purchased by the Church that was never fully paid for and reverted to the original owners. Simply because Oliver Cowdery was passing notes that had been redeemed, does not mean he was in on the deception. Because the notes themselves were authentic, it was virtually impossible to identify counterfeit ones.

174. Although there are at least two distinct signatures for both Joseph Smith and Sidney Rigdon on surviving banknotes, it does not mean that both of the signatures cannot be genuine. Because the new officials had access to genuine notes, only the signature would have been forged. Those on different sides of the bank issue disagreed on which notes were forged. Because Parrish forged names in surviving bank records and his testimony of the number of notes initially issued does not fit surviving serial numbers, even if we cannot be certain of identifying the correct forged notes, we can be confident that later accusations that he forged at least some notes had substance to them.
175. Smalling, letter, in Lee, *The Mormons, or, Knavery Exposed*, 14.
176. Heber C. Kimball to Vilate Kimball, June 27, 1837, Heber C. Kimball correspondence, 1837–1852, Church History Library; Mary Fielding letter, July 8, 1837, Church History Library.
177. *Cleveland Herald and Gazette*, July 17, 1837, n.p.
178. W. A. Cowdery, “Kirtland, Ohio, July, 1837,” *Messenger and Advocate*, July 1837, 540.
179. Joseph Smith Jr., *Elders’ Journal*, August 1838, 58.
180. The official minutes of the conference mention that the entire First Presidency was accepted unanimously (Kirtland High Council Minutes, September 3, 1837, Church History Library). Vilate Kimball, who wrote to her husband

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with a description of the meeting, also stated that Frederick G. Williams was accepted unanimously by the congregation (Vilate Kimball to Heber C. Kimball, September 12, 1837, Heber C. Kimball Collection, Church History Library). But the later official account of the meeting sent to Missouri noted that the congregation “voted unanimously in the affirmative, except for Frederick G. Williams, which was not carried unanimously,” suggesting that some additional voting or change in feelings may have taken place after the meeting (Smith, *History of the Church*, 2:509).

181. Smith, *History of the Church*, 2:509–11.
182. Marinda Hyde included her note in the larger letter of Vilate Kimball to Heber C. Kimball (Vilate Kimball to Heber C. Kimball, September 12, 1837, Church History Library).
183. “We have had a terrible stire with W[arre]n Parish,” noted Mary Fielding. “I have been made to tremble and quake before the Lord and to call upon him with all my heart almost day and night as many others have done of late. . . . I feel more & more convinced that it is through suffering that we are to be made perfect and I have already found it [to] have the effect of driveing me nearer to the Lord and so has become a great blessing to me” (Mary Fielding to Mercy Fielding Thompson, September 1, 1837, cited in Kenneth W. Godfrey, Audrey M. Godfrey, and Jill Mulvay Derr, *Women’s Voices: An Untold History of the Latter-day Saints, 1830–1900* [Salt Lake City: Deseret Book, 1982], 63–64).

Joseph Young wrote an eight-page letter to Lewis Harvey, who lived in Battle Creek, Michigan. Harvey had apparently heard stories about the Bank of Monroe and asked why the banks failed. Young explained that the bank proved to be “a stumbling block as it turned out; but it ranked pretty well with the failure of redeeming Zion [with Zion’s Camp] as neither of them was successful as people generally construed it, and even the Saints themselves, many of them, looked upon it with disfavor and their remarks on the subject showed that they could not, or did not understand, that the Lord had a hand in these things; but they had not eyes to see his providence. Some few of

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the saints accused Joseph the Prophet in these matters and their murmuring brought chastisement upon them and left them in the dark and hence they strayed away and lost their faith” (Joseph Young to Lewis Harvey, November 16, 1880, Church History Library).

184. W. A. Cowdery, “Kirtland, Ohio, July, 1837,” *Messenger and Advocate*, July 1837, 540.
185. The suit was for debts, and it took the printing office and other materials that had once belonged to Oliver Cowdery (Phoebe Woodruff to Wilford Woodruff, March 1, 1838, Church History Library; also Donald Q. Cannon and Lyndon W. Cook, eds., *Far West Record: Minutes of the Church of Jesus Christ of Latter-day Saints, 1830–1844* [Salt Lake City: Deseret Book, 1983], 163, 168–69).
186. In September, Parrish still “managed the institution with a witness,” who later informed members of the details of his activities. This witness (probably Luke Johnson) later recounted how Parrish robbed “the Kirtland Bank of twenty five thousand dollars at one time, and large sums at others” (Joseph Smith, *Elders’ Journal*, August 1838, 58). Then Parrish rode to Tinker’s Creek, a community in Independence Township, a long day’s ride west of Kirtland. Jim Brown, a notorious outlaw, lived along the creek, where he had a counterfeiting operation and used it to distribute bogus coins up and down the Ohio Canal. Parrish’s group arranged to buy “bogus or counterfeit coin” from Brown’s ring of “Tinker’s creek blacklegs.” Parrish apparently planned on using the counterfeit money to bolster the Kirtland Safety Society, but he ended up getting swindled out of his money while losing a carriage and horse in the deal. When his group arrived home with their heavy box of what they thought was counterfeit gold coin, they opened it to find sand and stones. Luke Johnson went down as constable in an attempt to help Parrish recover his loss. They took back the carriage and horse only to find Parrish in the custody of the county sheriff, hands bound behind his back, until he paid two hundred dollars “and if he had not paid it, he would have stood a chance for the work house” (Joseph Smith, *Elders’ Journal*, August 1838, 58). Oliver Cowdery, David Whitmer,