

stock valued at \$50 each.²⁷ Stockholders were required to pay a first installment of twenty-six cents per share of stock, and these subscription payments were intended to provide the reserves that would give the society financial stability, allowing the officers to exchange the society's paper notes for specie when customers presented them for redemption. By the beginning of January, the society had received almost \$12,000 in specie or banknotes, as more than one hundred investors paid some portion of the first installment due on their stock subscriptions.²⁸ It is unclear how many Kirtland Safety Society notes were put in circulation,²⁹ but based on banking practices of the time, the society would have needed enough reserves to repay ten to thirty percent of the notes it issued, meaning its officers could feasibly have issued notes for between \$40,000 and \$120,000.³⁰

Nevertheless, the society was significantly underfunded, in large part because of the small amount that stockholders were required to pay for their stock. At fifty dollars per share, the price of stock for the Kirtland Safety Society was lower than average, but not unusually low when compared with similar financial institutions.³¹ What was substantially reduced for the society's stockholders was the amount they were required to pay when they first subscribed for stock.³² At twenty-six cents per share, this initial payment was

Nature [1845], p. 27, sec. 8. For an example of a failed bank revived by eastern investment, see Scheiber, "Commercial Bank of Lake Erie," 49–52.)

27. See Historical Introduction to Constitution of the Kirtland Safety Society Bank, 2 Nov. 1836, p. 302 herein.

28. Kirtland Safety Society, Stock Ledger, 1836–1837, in Chicago Historical Society, Collection of Mormon Materials, microfilm, CHL. In the stock ledger these payments are recorded as being made in "cash," which in nineteenth-century banking and accounting terminology could mean either specie, such as gold or silver coins, or banknotes. (Coffin, *Progressive Exercises in Book Keeping*, 10–39.)

29. The few contemporary records that discuss the number of the society's notes in circulation provide conflicting accounts of the society's financial stability and may not be reliable. (See "Kirtland Safety Society," *Cleveland Weekly Advertiser*, 2 Feb. 1837, [3]; and Warren Parrish, Kirtland, OH, 5 Feb. 1838, Letter to the Editor, *Painesville [OH] Republican*, 15 Feb. 1838, [3]; see also Hill et al., *Kirtland Economy Revisited*, 53–58.)

30. Fifty percent was considered a conservative amount for specie reserves, with most banks attempting to maintain reserves between ten to thirty percent. In Ohio, senator Alfred Kelley's banking reform bill required a fifty percent specie backing for the notes and bills issued by a banking institution. ("A Bill for the Regulation of Banks within This State," secs. 34, 41, *Ohio State Journal and Columbus Gazette*, 13 Jan. 1837, [2].)

31. In the 1836 Ohio legislature proceedings, the most common cost of stock shares for banks in Ohio towns was \$100. Stock shares in larger, well-established areas varied from \$100 to \$500 per share, but most community banks on the western frontier could not demand such elevated prices. Shares in the stock of the Commercial Bank of Lake Erie were \$100 and required five percent to be paid upon subscription. ("A Bill for the Regulation of Banks within This State," sec. 7, *Ohio State Journal and Columbus Gazette*, 13 Jan. 1837, [2]; Bodenhorn, *State Banking in Early America*, 19–20; Charter Acceptance, Letterbook, vol. 1, 1816–1839, [1], Commercial Bank of Lake Erie Records, Western Reserve Historical Society, Cleveland, OH.)

32. The Kirtland Safety Society charged \$0.26¼ per share of stock. This amount was not a published figure but can be calculated based on stockholders' payments recorded in the society's stock ledger. Stockholders paid \$2.63 for 10 shares of stock, \$5.25 for 20 shares, \$10.50 for 40 shares, \$15.75 for 60 shares, \$26.25 for 100 shares, \$52.50 for 200 shares, and \$105 for 400 shares. When the amount paid is divided by the number of shares, the price of an individual share comes to \$0.26¼. While some individuals paid

significantly lower than what other banks or banking companies charged, which typically required between five and fifty dollars' initial payment per share.³³ The Kirtland Safety Society officers showed leniency to those who could not pay their full initial payment, and several stockholders made only partial payments, while a few never paid anything.³⁴ Individuals who subscribed for one thousand shares should have made an initial payment of \$262.50, but many with subscriptions of a thousand or more shares of stock only ever paid a few dollars.³⁵ The combination of relatively low share prices, an unusually high capital stock, and a very low initial installment payment for stock, some of which was never paid, meant that the society was low on funds from the outset.

JS and other stockholders appear to have obtained additional funding by taking out loans from two nearby banking institutions. These loans would not have significantly improved the society's solvency but would likely have increased its available specie, which was needed for the redemption of notes. On 2 January, JS, Rigdon, and Newel K. Whitney received a loan for \$3,000 from the Bank of Geauga in Painesville, due in forty-five days.³⁶ The second loan was taken out on 10 January from the Commercial Bank of Lake Erie in Cleveland for \$1,200, due in four months.³⁷ This second loan was likely taken out by JS and Rigdon as officers of the Safety Society, but it is not certain, since the signatures on the promissory note were removed—a common practice when a loan was repaid.

more than the required amount, many others paid less than they owed for their initial payment on stock. (Kirtland Safety Society, Stock Ledger, 33–34, 43–44, 81–82, 183–184, 191–192, 195–196.)

33. No compilations of data for installment payments have been created for nineteenth-century banks, but the Bank of Geauga in Painesville, Ohio, notified stockholders that an installment of \$6.50 was due on each share on 20 January 1837. The bank charter for the Commercial Bank of Lake Erie in Cleveland, Ohio, required an installment of five percent, or five dollars on each share. The Bank of Monroe in Michigan notified stockholders of monthly installments of five dollars per share after the bank's 10 February 1837 meeting. (Notice from Bank of Geauga, 16 Nov. 1836, in *Painesville [OH] Telegraph*, 30 Dec. 1836, [4]; Charter Acceptance, Letterbook, vol. 1, 1816–1839, [1], Commercial Bank of Lake Erie Records, Western Reserve Historical Society, Cleveland, OH; "Bank of Monroe," *Painesville [OH] Republican*, 29 Feb. 1837.)

34. Five individuals who subscribed for stock have no recorded payments in the extant stock ledger: Joseph Brayn, Frederick G. Williams, Samuel Willard, Luther P. Bates, and Samuel Wittemore. (Kirtland Safety Society, Stock Ledger, 159–160, 197–198, 199–200, 207–208, 213–214.)

35. See, for example, Kirtland Safety Society, Stock Ledger, 37–38, 57–58, 209–210, 237–238, 243–244. This was not the only time that subscriptions caused financial difficulties for the church in Kirtland. During the construction of the House of the Lord in Kirtland, missionaries gathered subscriptions from church members for the temple only to find later that many were not honored. (Bishop's Appeal, *LDS Messenger and Advocate*, Sept. 1837, 3:561; Hyrum Smith, Reynolds Cahoon, and Jared Carter, Kirtland, OH, to "the Churches of Christ," 1 June 1833, in JS Letterbook 1, pp. 36–38.)

36. The promissory note for this loan is not extant, but the record of the loan appears in the Bank of Geauga Discount Book. The Bank of Geauga was the closest banking institution to Kirtland. (Bank of Geauga, Discount Book, 2 Jan. 1837.)

37. JS and Others, Cleveland, OH, to Commercial Bank of Lake Erie, Promissory Note, 10 Jan. 1837, JS Collection, CHL. The Commercial Bank of Lake Erie was another bank located relatively close to Kirtland. The substantial investments of the Dwights, a New York banking family, ensured the financial reserves and stability of the bank. It held deposits from the Ohio government and the federal government and provided much of northern Ohio's paper currency from 1831 to 1843. (Scheiber, "Commercial Bank of Lake Erie," 47, 49–53.)