

## Necessity Currency of the Dakota Frontier

# Coupon Books and Due Bills

By FORREST W. DANIEL

**C**OUPON BOOKS of scrip good for merchandise at the company stores of a number of mining, lumber and other enterprises have been popular items with collectors of scrip. But coupon books also served pioneer settlements on the northern plains of the United States. Their greatest use there was 50 or more years ago, so few examples remain for collectors, and they are prime finds for local historians.

Use of coupon books and due bills by independent merchants in scattered agricultural communities may have had some variations which were not prevalent in the closely controlled communities served by company stores. This will be a loosely constructed story of communities in North Dakota where they served for many years as substitutes for coin and currency; the pattern was general over a vast area.

The settlers who came to the northern plains from the 1880s to World War I were not the classic frontiersmen and trailbreakers; they were sod busters and merchants, their settlements following the extension of the railroad lines. Railroad and private land agents recruited land seekers among farmers unable to find land to rent in the hills of Missouri; farm laborers from Iowa, Illinois and Indiana; industrial workers from the East; people of every type and from everywhere who wanted to own land of their own. Advertisements brought immigrants

from Scandinavia, Germany, and Great Britain plus thousands of Germans from Russia.

Young lawyers from Pennsylvania and other eastern states headed west to start practice in the new towns which were springing up every seven miles along the railroad lines. Typically, the young attorney found ten lawyers ahead of him in a town of fewer than 200 people. Often he joined the trek to a newer town down the line and established a mercantile business or newspaper to supplement his legal fees; with the proper connections he might be appointed federal land commissioner to record homestead filings and the final proving-up. The principal thing most of these people had in common was a shortage of cash. Few had bank accounts, and personal checks were rare; a large percentage of substantial purchases were covered by promissory notes of questionable negotiability.

Many of the everyday small transactions in the towns were consummated by barter. A weekly newspaper editor often saw little more cash in a year than he needed to pay for newsprint, paper and ink; subscriptions were paid with chickens, eggs, butter, potatoes and other garden truck, in fact any kind of goods or services he could use—and some he didn't need.

### Barter at the General Store

**T**HE general store served as the outlet for local produce. Farmers' wives exchanged their surplus butter and eggs for coffee, sugar, dry goods and other necessities. But there was work to be done before the price was set for the produce. The eggs had to be counted and candled to make sure they were fresh and not cracked. Candling consisted of looking through the eggs at a candle, kerosene lamp or light bulb in a light-tight container with two egg-size openings. Spoiled and cracked eggs were easy to spot; they were returned to the seller, with the greatest diplomacy.

Home-made butter was usually packed in five- or ten-pound jars and a deposit and exchange system for the jars was common for those who bought the entire container. The quality of the butter varied greatly with the maker, and the merchant always kept the best for himself and favored customers. The other butter was placed on display for sale; the customer had to rely on smell and taste to make his choice; a supply of toothpicks was at hand to use for the taste test. Only a pound or two might be bought if the customer had any doubts. Usually there was some butter no one would buy; that rancid butter was emptied into 50-gallon vats for the purpose and when filled were shipped to a city creamery to be refined into saleable creamery butter.

Just how much butter was brought in to country stores can only be guessed, but M. E. Kremer & Co. opened a general store in Sykeston, North Dakota, on October 28, 1907, and the local newspaper reported that 5,000 pounds of butter were shipped on January 23, 1908. That may or may not have been typical.

Other produce might be bought in season. In March, 1914, Kremer advertised that he was shipping several cars of early Ohio potatoes and offered 50 cents a bushel for nicely sorted stock.

The merchant usually took the produce on the condition that the entire amount paid would be traded out in his store. Payment for these purchases could be made in several ways. The simplest was to apply the amount to the person's account if he had running credit at the store. If the amount due the customer was substantially more than his purchase and he had no charge account, he might receive a due bill, a duplicate printed form to be filled out with the date, name of customer and the amount due him. A sales slip often served that purpose. The due bill, then, could be presented at the store for future purchases. For smaller amounts it was more convenient to use metal tokens good for 5¢, 10¢, 25¢, 50¢ or \$1.00 in merchandise at the store. Those tokens

were also called due bills by M. E. Kremer, in recalling their use. The metal due bills had an additional advantage to the person who received them; often they could be used in place of coins at the barber shop, blacksmith shop or post office; proprietors of those places could trade them out at the store.

Stores which had coupon books were able to use them in several ways. They could be used in place of due bills: by removing some of the coupons they could be made to represent the amount due and issued to the customer. Since they were more substantial than a single sheet of paper, coupon books were less likely to be lost than a due bill.

Coupon books sold for cash usually went at a five percent discount, providing reduced prices for those who paid in advance. Coupon books were made in several denominations at \$5.00 increments so they were available even to people of limited means. In an advertisement in the *Sykeston Tribune* of March 1, 1912, the M. E. Kremer & Co. and R. & S. H. Wikey stores advertised their coupon books at ten percent discounts, stating that they were good for any merchandise they carried except flour, feed and sugar.

In an era when many settled farmers paid their accounts only once a year—after the fall harvest—disagreements about the amount involved were not uncommon. Use of coupon books was a convenient method for controlling credit, as the first page of each book was a promissory note form for the amount of coupons in the book. Properly filled in, that note was an accurate register of the amount of credit advanced and a legal obligation to pay; the note drew interest after maturity, usually 12 percent as stated in the advertisement. The back of the book contained one or more pages where the merchant could register all purchases; it told both customer and merchant how carefully the credit was being used. When the coupon book was sold for cash or issued in place of a due bill, the note form was removed and destroyed; the nosy neighbor, then, might suspect but could not be sure whether the user was a cash or credit customer.

\$20.00	No. _____
_____ days after date _____ promise to pay to	
the order of _____	_____
Twenty Dollars.	
Interest after maturity.	value received.

A simple form of promissory note was included in each coupon book for use when the book was sold on credit.

But coupon books did not prevent all physical disagreements about credit, and an incident of that kind happened at Dell's Store. As the country filled up with

## Money Saving Opportunity

We, the undersigned, wish to announce to our customers that beginning March 1st we will sell,

**\$25.00 coupon books for \$22.50**

20.00 " " " 18.00

15.00 " " " 13.50

10.00 " " " 9.00

5.00 " " " 4.50

This represents a 10% discount to you and these coupon books are good for any merchandise we carry excepting flour, feed and sugar. After this date all mdse. charged will draw 12% int. after 60 days from date of purchase.

**M. E. KREMER & CO.  
R. & S. H. WIKEY**

This three-column, seven-inch advertisement from the *Sykeston "Tribune,"* March 1, 1912, offered a choice of five values of coupon books at a special ten per cent discount.

settlers, the late comers located on land farther and farther from towns along the railroad. With few roads and only horse and wagon transportation for many it was at least a full days trip to town and back. To take care of their neighbors' immediate needs for groceries, light hardware and sundry items, some farmers established stores in their homes. These stores often became rural post offices, social centers, and sometimes attracted other businesses to the neighborhood and grew to a point where they believed that if a branch railroad were built to the community its growth into a metropolitan center would be assured.

### Fight at Dell's Store

IN 1899, Henry Dell, a storekeeper from South Dakota, bought land 22 miles southwest of Sykeston. It was some time before he got his farm established and a home built over a partial dugout in a hillside. In November 1906, the newspaper announced he had established a general store at his home; it was 15 miles south of the nearest railroad town, Heaton. He sold farm machinery, groceries, dry goods, clothing, kerosene, and bought and sold butter. A rural post office was established in the store from May 27 to November 7, 1907, with a daughter, Martha Dell, as postmaster. Dell's Store used coupon books.

The summer of 1910 was hot and dry, and by the middle of July it was clear that there would be a small harvest of grain and money would be scarce—the not-uncommon prospect of "no crop, no pay." When Henry Dell decided it was time to curtail credit, he had little idea of what would ensue; the gory results were reported in the *Sykeston Tribune* of July 22 under the head, "BAD FIGHT."

"There was a big fight at Dell's store down in the northern part of Kidder County, last week Wednesday or Thursday. A knife and a hatchet played important parts. J. H. Laursen and Henry Dell were the principals. We do not know particulars, but as reported to us, Dell had sold Laursen a coupon book and taken the latter's note in payment of same. Now on account of dry weather Dell refused to let Laursen buy any more goods using the coupon book. This led to a hot discussion and Dell ordered Laursen from the store and when the latter refused to go Dell attempted to put him out. Our informant said that Laursen drew his pocket knife and that Dell grabbed a hatchet. In the scuffle that followed Laursen got the hatchet away from Dell and struck him over the head cutting a big gash and for a time it was thought that Dell would not live, but the injury did not prove as serious as at first thought and Dell is around once more. Laursen got a small cut on the face and on the shoulder. Laursen went to Steele to get a warrant for the arrest of Dell but we have not heard how the matter was disposed of." No further mention of the incident was found in the newspaper. Dell's store remained open until about 1917.

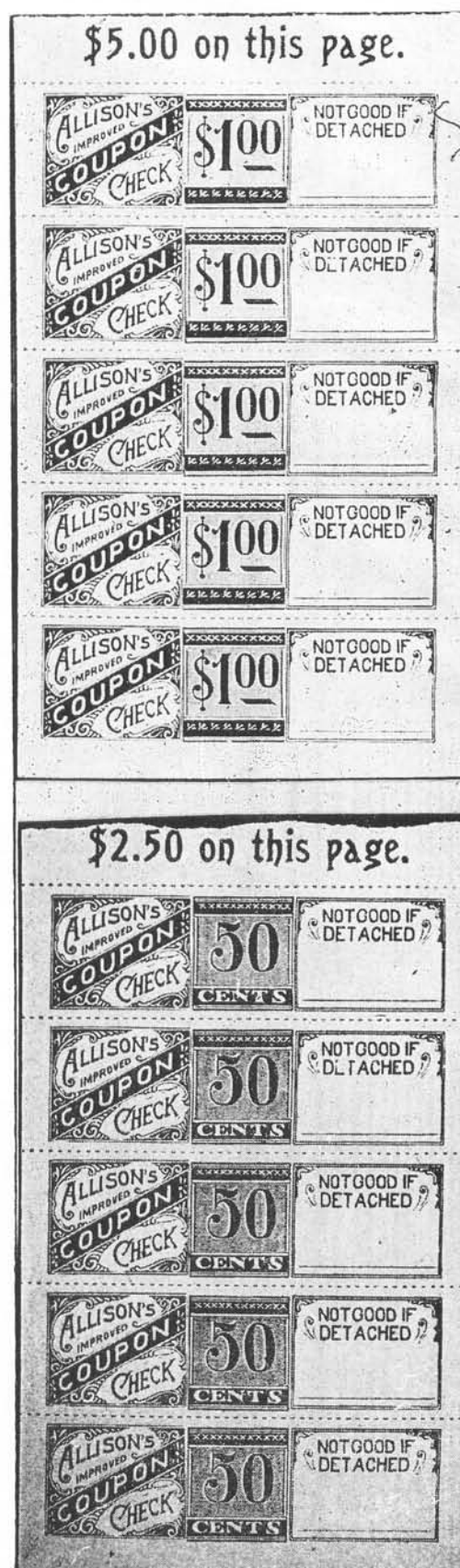
### Mechanics of the Currency

**C**OUPOON BOOKS were available with the name of the merchant imprinted on the cover and the tickets—or they could be bought in blank, with spaces for the store keeper to enter his own identification and numbers. J. K. Swan, Fessenden, used both kinds; his \$5.00 book bears his imprint and appears to be the earlier. Hamilton's Trade Coupons were printed by Geo. D. Hamilton, Detroit, Minnesota, five coupons to the page as was usual. Swan's book No. 422 contains four pages of 1¢, three pages of 2¢, five pages of 5¢, four pages of 10¢ and one page of 25-cent coupons; the name J K SWAN appears on the back of each. The lettering on the Hamilton coupons appears to have been hand-drawn for lithography, varying in size from denomination to denomination. The 25-cent coupons have a typographical error: the N in "Not good if detached" is drawn backwards.

Swan also used Allison's Improved Credit Coupon Check Book printed by Allison Coupon Company, Indianapolis, Indiana, in \$20.00 denomination. It was copyrighted by N. S. Allison in 1888, but the ones surviving were printed after 1900. In this case the book is in blank; imprinted books and checks would have been more expensive. How he validated them for use is unknown. Swan may have used books with other values too, but none are known.

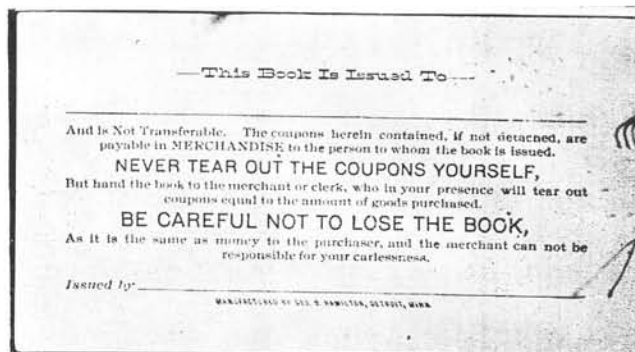
The coupons in the Allison book are printed with blue ink and have the value of the five tickets on each page printed on the stub at the top. The \$20.00 book has two pages of \$1.00 coupons, two of 50¢, two of 25¢, two of 10¢, four of 5¢, three of 2¢, and four of 1¢, a promissory note in front and four pages for entering purchases in the back. As usual each coupon value has a different color. The book size is 68 x 127mm., while the Hamilton book is 67 x 134mm.

J. K. Swan was born in England in 1846 and grew up in Dubuque, Iowa. He was engaged in steamboating

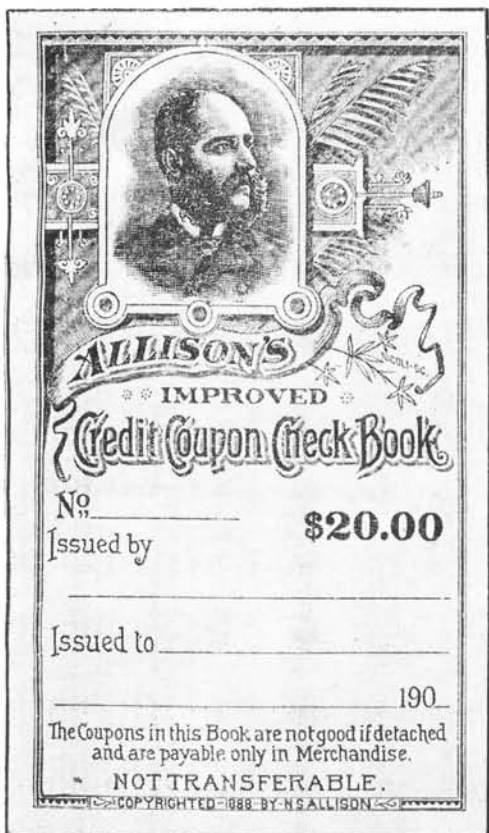


Total value of the sheet was printed on the stub of each page of Allison's Coupon Checks. Blank space is for number or store validation.

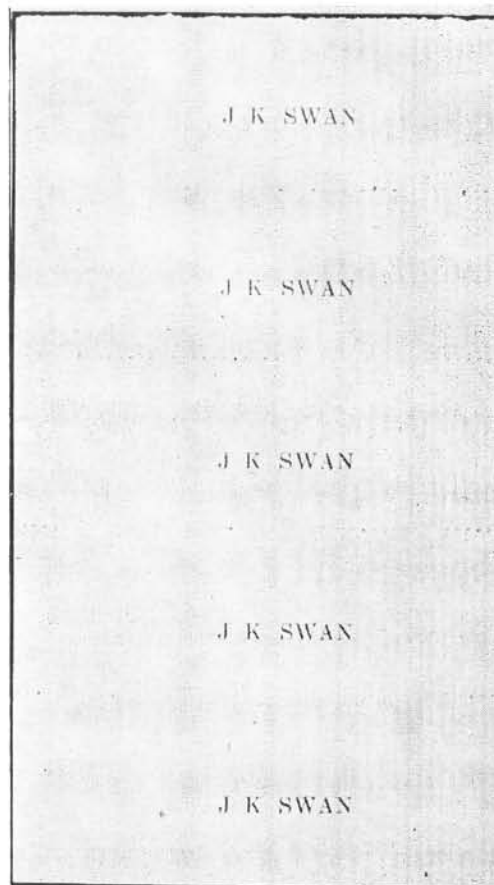




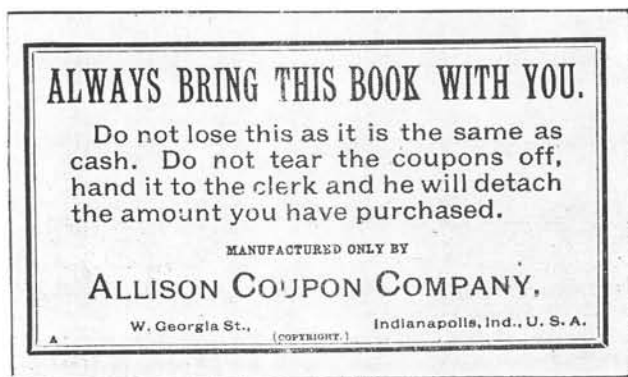
Coupon book imprinted to order for J. K. Swan, Fessenden, North Dakota, by Geo. D. Hamilton, Detroit, Minnesota. Space for name of purchaser and validation is on back cover.



Blank coupon book used by J. K. Swan. This type book was available for use by any store from Allison Coupon Company, Indianapolis, Indiana.



Imprint of J. K. Swan on back of 25¢ Hamilton Trade Coupon.



on the Mississippi River from the age of nine, first as cabin boy and later as steward and pilot. He came to Grand Forks, North Dakota, in 1873 and was employed in steamboating on the Red River of the North for the Hudson's Bay Company. Swan served on the Grand Forks city council and as Grand Forks county sheriff before moving to the new town of Fessenden in 1893 and opening a general store. He built a solid firewall of prairie boulders between his store and the adjoining property, and that wall preserved the building after nearly all of the other early buildings had burned.



The backwards N in "Not Good If Detached" on the 25¢ Hamilton Trade Coupon does not appear on coupons of lower values.

Coupon books, of whatever merchant, were issued to a specific person whose name was written on the cover and were not transferrable. Coupons were payable only in merchandise and only if removed from the book by an authorized clerk in the store. Patrons were admonished always to bring the book with them, and were warned not to lose them since the book was the same as cash.

Settlers eventually filled all the open land, the population stabilized, and the economy grew to a state where money circulated to a greater extent. As times changed due bills, coupon books and later the metal due bills passed from use except in a few localities where they may still fill some special need.

#### Indian Paper Money — continued from Page 60

not recognise its notes as a legal tender and did not accept them in any of its treasuries, they are said to have been received at all the public offices in Calcutta. The position of this bank was very sound. It met promptly and successfully two severe runs upon it—one in 1819 and the other in 1829. In 1819 some forgeries of the Bank's notes came to light and the Bank thought it wise to issue notice to the public pointing out how to distinguish the genuine from the forged notes. But some mischief-monger gave the Bank's notice a false character and spread the rumour among the people that the notes would be cashable only if they were brought back to the Bank within a certain date. Consequently there was an immediate rush which brought back nearly all the notes in circulation, which were about 18 lacs. The reason for the 1829 run was the failure of an important trading concern, Messrs. Palmer & Co; and this time notes of the value of 20 lacs were cashed. The Bank was closed in 1831. Very few of its notes were in circulation at the time of its failure.

Another bank, which issued paper currency in the eighteenth century, was the Bengal Bank.<sup>1</sup> When exactly it was founded is not known; but it is found mentioned as an out-going concern in 1790. It had issued its notes in 1791; but any detail about their circulation is not available to me.

In the beginning of the nineteenth century Lord William Bentinck, the Governor of Madras, established a bank named Government Bank of Madras. It issued notes; but they were more like treasury bills, by which Government raised funds. They were expressed in amounts which were too large to call the bills a popular form of currency. They bore interest and were inconvertible, and circulated only at discount. Yet at that time they were accepted as paper currency.

(To be continued)