

PRESENT HOME TOWN, HUNTSVILLE, ALABAMA

by
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The old bank appears the same today as it must have looked when it opened for business almost 150 years ago.

BACKGROUND

THE pursuit of "local bank" notes holds a particular fascination for many paper money collectors. Being in the military means a different "home town" every three years or so, this constantly opens up new opportunities for "local collecting."

A few notes issued by the local banks are always attention getters and conversation openers at local coin shows, exhibits and club meetings. Therefore, one of the first things I do in a new town is to look up note issue information on the banks in the area and add any such notes to my want lists. The best reference materials for this purpose are: the new Hickman/Oakes book on all national issues, *The National Bank Note Issues of 1929-1935*, published in 1970 by the SPMC (with periodic updates on notes reported by Mr. Warns) and the SPMC updates of D.C. Wismer's obsolete note listings, or the originals that appeared in "The Numismatist." Armed with this data, I then review price lists and auction catalogues saved for the past fifteen years to check on availability and price history of the local area notes. Sooner or later, the opportunity comes along to purchase a "local note."

Since my present "home town" is Huntsville, the purpose of this article is to report on the paper money that was issued locally, along with some basic information on the banks and issuers and, hopefully, to stimulate the reporting of other data and notes that are still missing.

Huntsville was founded in 1805 by John Hunt at the site of a natural spring in the Tennessee Valley of North Alabama. Originally called Twickenham in honor of the home of British poet Alexander Pope, the town was eventually renamed in honor of its founder. In addition to being one of the first capitals of Alabama, Huntsville was the birthplace of several prominent Americans. Confederate cavalry leader John Hunt Morgan was born here along with Tallulah Bankhead, the famous daughter of U.S. Representative William Bankhead. In 1884 Frank James, Jesse's brother, was tried in a local courtroom for a federal payroll robbery that occurred near Muscle Shoals, Alabama in 1881. Remarkably, he was found not guilty, whereupon Minnesota and Missouri law officers promptly arrested him for other crimes.

Huntsville remained a sleepy cotton town until just before World War II when the Redstone Arsenal ammunition plant was built a few miles southwest of the town. In 1950 the German rocket scientists, led by Werner Von Braun, were brought here from Texas to establish the beginnings of the U.S. space program that culminated in landings on the moon. Today NASA still maintains a presence, but the primary function of government effort in the local area is the U.S. Army's missile program. High tech industry has largely replaced the old agricultural based economy of the local area, although cotton and soybeans are still important products.

BANKING IN HUNTSVILLE

Since the note issue period ended in 1935 when national banks stopped issuing distinctive, bond secured paper money, the bank note era we shall be concerned with in Huntsville began in 1816 when the first bank was organized, and ended with the 1929 small note issues of two local national banks. With one or two exceptions, we shall concentrate only on the banks and private issuers that actually issued currency.

The first bank in North Alabama was the "Planters and Mechanics Bank of Huntsville," chartered by the Mississippi Territorial Legislature on December 11, 1816. After Alabama Territory was formed from part of the Mississippi Territory, the General Assembly of the Territory of Alabama passed an act on February 13, 1818, which changed the title to the "Planters and Merchants Bank of Huntsville." This first bank in Huntsville had opened for business on October 17, 1817. On January 6, 1818, LeRoy Pope was elected president and Ben Cox became cashier. Directors included Clement C. Clay, father of Clement C. Clay, Jr., United States and Confederate States Senator whose portrait would later appear on the Confederate States \$1 note; James Manning, whose son would issue scrip in Huntsville during the 1830s; and John W. Walker, whose son, LeRoy Pope Walker, would serve as the Confederate Secretary of War. The bank was located in a "brick home on the main town square over big spring." This would have been at, or very close to, the location of the bank building that would later be constructed for the Huntsville branch of the Bank of the State of Alabama.

On May 18, 1821, the Planters and Merchants Bank alerted the citizens of Huntsville that counterfeit 75-cent notes of the bank were showing up in large quantities. The plate-produced counterfeits had the forged signatures of William and Samuel Cruse and J. Boardman. The published circulation figure for October 18, 1821 was a remarkable \$220,088.69.

The Planters and Merchants Bank had the distinction of being robbed on two different occasions. On February 14, 1822, a thief entered the bank after business hours through a back window and opened the cashier's desk. He escaped with a reported \$5,050 in "mostly Huntsville bank notes." Again on October 13, 1824, another robber broke into the bank, hit the cashier over the head and made off with between \$25,000 and \$29,000 in notes of the bank signed by Ben Cox or Eldred Rawlins. Apparently Rawlins was the cashier at the time of the robbery. The stolen notes were in denominations of \$10, \$20, \$50 and \$100. The bank president promptly advertised a reward of \$2,000 for the capture of the perpetrator. A separate reward of \$1,000 was offered for the return of the stolen money.

Mr. Pope, who was largely responsible for the early development of Huntsville, was a controversial figure in the town and he made some enemies. The bank became the subject of much anti-bank sentiment, which eventually forced its closing. The Planters and Merchants Bank closed for good on February 5, 1825. For the next ten years, Huntsville did not have a local bank. Although the Bank of the State of Alabama had been chartered at Cahawba in 1823, the lack of a good transportation system prevented that bank from serving the fiscal needs of North Alabama. By 1833, the cotton business was being severely impacted by the lack of a local financial institution.

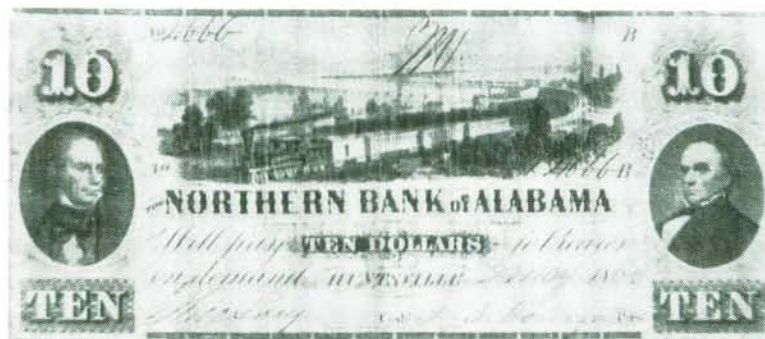
On February 4th and 5th, 1835, an organization meeting was held at Huntsville for a local branch of the Bank of the State of Alabama. Bartlett M. Lowe was chosen as president and Major James Penn became cashier. George Cox, Jr. was bookkeeper of the new branch. The bank opened on the town square around the end of July 1835 in rented quarters. A building committee of four men, including James J. Donegan, who in later years would become president of the Northern Bank of Alabama, was formed to obtain a proper banking house. Mr. George Steele, a renowned local architect, designed a magnificent Greek revival building to be constructed at the southwest corner of the square over the big spring. Built between 1837 and 1840, the new bank building included basement detention cells for slaves who would be used as collateral for loans. With several minor exceptions, the building has served continuously as a bank for almost 150 years.

The Huntsville branch of the State Bank maintained a very large circulation to finance the cotton trade and various other speculations. The reported figure for October 31, 1835 was \$319,320 and for November 1, 1836 it was \$565,500, including \$328,410 in "post notes payable at the Bank of Louisiana." The bank issued both regular and post notes in denominations of \$5, \$10, \$20, \$50 and \$100. The State Bank continued in operation until approximately 1846 when serious financial difficulties brought about its liquidation. The local branch may have closed as early as 1842, but the final liquidation was not completed until 1857. Unfortunately for present-day collectors, most of the notes and papers of the bank were burned. The building was sold by the liquidation committee for \$15,000 in July 1854.

The "Panic of 1857," caused by the flood of unregulated paper issues that followed the expiration of the federally chartered Second Bank of the United States in 1836, was probably the reason for two issues of the local notes in the 1830s and early 1840s. The first issue was made by the Madison Turnpike Company at Huntsville. Chartered in 1832, this company was responsible for the construction of a fourteen mile turnpike from four miles outside of Huntsville to the village of Whitesburg on the Tennessee River. The NASCA auction sale of Dr. M. Clinton McGee's Alabama collection, conducted January 30, 31 and February 1, 1978, included a 25-cent note of this firm dated July 1, 1840, and this writer recalls seeing a 12½-cent note some years ago. It is likely that other denominations were also used.

The so-called "Manning money" was the other local issue of the 1830s. R.J. Manning's father had been one of the original directors of the Planters and Merchants Bank twenty years earlier. Young Manning was a local merchant who is reported to have established the Bell Factory Store on the square. The store was a retail outlet for the products of the Bell Factory Cotton Mill, formerly Patton, Donegan and Co., which had been organized in 1832. The McGee sale included a \$1 note of R.J. Manning, dated August 1, 1838, and one of the local banks still has a 50-cent note of this firm. The Bell Factory ceased operations around 1885.

On February 10, 1852, the Northern Bank of Alabama at Huntsville was incorporated with a capital not to exceed \$834,000. The state had the right to subscribe to forty percent of the stock of the new bank. The bank opened in the former



Ten dollar note on the Northern Bank of Alabama at Huntsville.

building of the State Bank branch and eventually purchased the location in 1854, as previously mentioned. James J. Donegan was president and Theophilus Lacy was cashier. The directors were Samuel Cruse, who apparently had been associated with the old Planters and Merchants Bank, George P. Beirne, Charles H. Patton, James H. Mastin, James L. Watkins and James J. Donegan. This bank was the only bank outside of Mobile and New Orleans that did not suspend specie payments when the Civil War broke out. The Northern Bank issued notes in denominations of \$1, \$2, \$5, \$10, \$20, \$50 and \$100. The \$1s and \$2s are fairly common today and occasionally a \$10 turns up. But the other denominations appear to be scarce.

During the war there was a severe shortage of circulating small change which caused many local merchants to issue small denomination paper scrip. Two such issues circulated by local firms are known to this writer. Both appeared in the McGee sale and both were issued by local hotels in 1862. The Johnson House, which appeared in the 1859 City Directory, issued a 5-cent note. The Huntsville Hotel, issuer of a 25-cent note, was constructed in 1858/1859 on the site of the Bell Tavern which had burned in 1854. The new hotel, located near the square, was a Huntsville landmark until 1910 when it, too, was destroyed by fire.

On April 11, 1862 Federal troops occupied Huntsville. Soldiers under the command of General O.M. Mitchell occupied the town and the surrounding area. The town of Athens was sacked and Whitesburg, a village on the Tennessee River south of town, was razed. Rail facilities and military supplies

in Huntsville were burned before the Union forces departed on August 31, 1862. In July 1863 the Federals returned to Huntsville, remaining until September when they abandoned the town again after causing much destruction. On November 26, 1863 they came back to stay, thereby ending any Confederate control in the area.

The Union occupation forced the Northern Bank of Alabama to close its doors and begin a liquidation that would not be completed until 1867. As late as 1865 the bank's notes were quoted at thirty cents on the dollar. Many of the bank's organizers would soon be back in the banking business at Huntsville as will be seen shortly.

Following the war, three banks of interest were organized in Huntsville. The first of these was the National Bank of Huntsville, organized on September 15, 1865 by many of the former Northern Bank directors. The bank was granted National Bank Charter Number 1560 and was authorized to conduct business. An advertisement in "The Huntsville Advocate" of June 30, 1866 lists the directors as James H. Mastin, James J. Donegan, George P. Beirne, James L. Watkins and Joseph W. Burke. James Mastin was president of the new bank and Theo Lacy was cashier. With the exception of Joseph Burke, all of these men had served in similar positions with the Northern Bank, then in the process of liquidation. James Mastin served as president until January 17, 1882 when he was succeeded by James R. Stevens.

The National Bank of Huntsville occupied the same building that had housed the Northern Bank and the Huntsville branch of the State Bank. This bank issued First Charter National Bank



An early check from Fordyce & Rison, Bankers at Huntsville.

notes in \$5, \$10 and \$20 denominations and Second Charter period Brownback \$10s and \$20s. To this writer's knowledge, only two notes of this bank are known to have survived.

In 1866 the firm of "Fordyce, Janney & Co., Bankers and Brokers" was established by R.W. Fordyce, E.L. Janney and W.P. Rison. Sometime prior to 1872 the name was changed to "Fordyce, & Rison, Bankers." In later years this bank would become the largest bank in Huntsville as the "W.R. Rison Banking Co." Although it issued no bank notes, its size and date of organization make it a bank worthy of mention here. It was eventually purchased by the First National Bank of Huntsville around 1948.

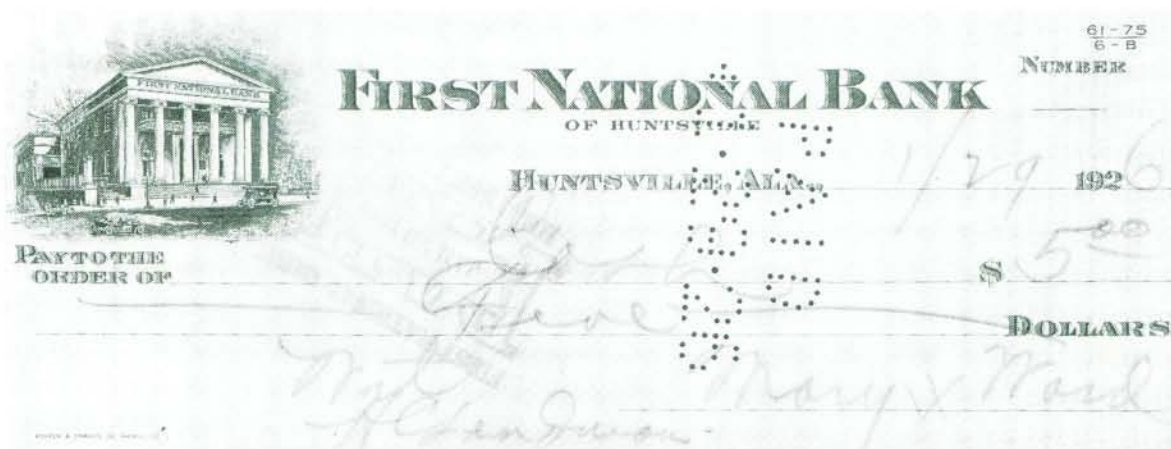
In early 1865, President Lincoln had authorized the Freedman's Savings Bank to provide banking services to the newly freed slaves. Alabama branches were established in Mobile, Montgomery and Huntsville. The Huntsville branch operated from 1868 until 1874 when the bank failed. Mr. Lafayette Robinson was cashier of the local branch.

On July 5, 1889, the National Bank was rechartered as the First National Bank of Huntsville with Charter Number 4067. James R. Stevens, former president of the National Bank, retained his position as president of the newly named bank until he resigned in 1899. He was followed by Major William H.

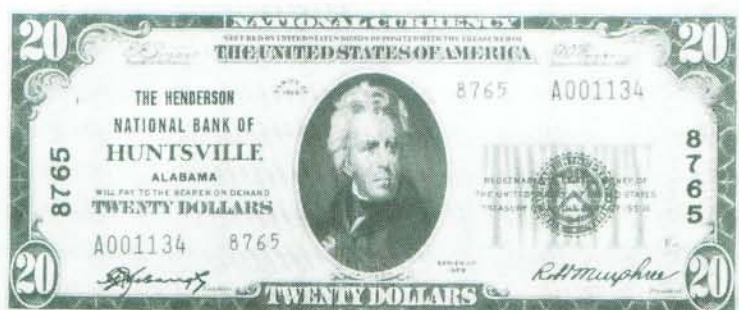
Echols from 1899 to 1909 and then by Robert E. Spragins until 1935, the end of the note issuing period. Mr. Spragins was succeeded by his son, M. Beirne Spragins. Henry C. Landman was cashier during the 1929 note issue period. The First National Bank continued to occupy the old building on the square. The "First National" issued Second Charter Brownbacks, Third Charter Blue Seals, and the small size 1929 issues of national bank notes. The bank building underwent several renovations during all this time, but its exterior appearance was preserved unchanged. In recent years, the First National became part of the First Alabama Bank Corporation, which continues to use the old building as its main office in Huntsville.

Two other national banks were organized in Huntsville during the note-issuing period. The first of these was a short-lived institution named the Farmers and Merchants National Bank, Charter Number 4689. Chartered in 1892, this bank operated for only thirteen years until it was liquidated on March 16, 1905. Brownback \$10 and \$20 notes were issued by this bank but none are known to have survived. In 1901 Mr. W.I. Wellman was president and Mr. J.R. Boyd was cashier.

The last note-issuing bank established in Huntsville was the Henderson National Bank organized in 1907 with Charter Number 8765. Mr. Fox Henderson was president and James



A 1926 check with a vignette of the bank and the cashier's signature as a witness.



The 1929 type II national bank notes—the end of an era.

Murphree was cashier. Murphree died in 1914 and was succeeded by his son, Robert. Robert Murphree later became president and his signature appears on the 1929 note issues, along with W.R. Stobaugh as cashier. This bank was located in a building approximately diagonally across the town square from the First National. (The bank remained in this location until 1948, when it relocated to a new headquarters on the northwest corner of the square.)

The Henderson National Bank issued Third Charter Red Seals and Blue Seals and the 1929 Series notes. The 1929 \$20s of this bank are fairly common since a number of them appar-

ently were included in a hoard of Alabama notes that surfaced in the 1960s. The Henderson National became part of the First National Bank of Alabama in 1981 and the old name was lost.

Thus, a very small town in the south, at least until the 1960s, had quite a substantial numismatic history and produced a large variety of collectible paper money. However, although the variety was large, the quantity available in minuscule, thereby creating a significant challenge to the modern collector. The tables that follow show the surviving notes recorded by the writer to date. Anyone having any serial number data not indicated here is requested to report it to John Hickman or the writer.

TABLE I
HUNTSVILLE NOTES ISSUED

| | | |
|-----------------------------------|--------------|---|
| 1. Planters & Merchants Bank | 1816 - 1825 | \$10, 20, 50, 100 & 75¢ |
| 2. Huntsville Branch, State Bank | 1835 - 1840s | \$5, 10, 20, 50 & 100 |
| 3. Madison Turnpike Company | 1832 - 1840s | 12½¢*, 25¢* |
| 4. R.J. Manning | 1830s | 12½¢*, 50¢*, \$1* |
| 5. The Northern Bank of Alabama | 1852 - 1863 | \$1*, 2*, 5*, 10*, 20, 50 & 100 |
| 6. The Johnson House | 1862 | 5¢* |
| 7. The Huntsville Hotel Company | 1862 | 25¢* |
| 8. The National Bank | 1865 - 1889 | Original Series \$5*, 10, 20 Series 1875 \$5*, 10, 20 Brownback \$10, 20 |
| 9. The First National Bank | 1889 - 1935 | Brownback \$10*, 20 1902 DB \$5, 10, 20 1902 PB \$5*, 10, 20* 1929 I \$5, 10, 20* 1929 II \$5*, 10, 20* |
| 10. The Farmers & Merchants Nat'l | 1892 - 1905 | Brownback \$10, 20 |
| 11. The Henderson Nat'l Bank | 1907 - 1935 | 1902 RS \$5, 10*, 20* 1902 DB \$5, 10, 20 1902 PB \$5*, \$10*, 20* 1929 I \$5*, 10*, 20* 1929 II \$5, 10* 20* |

Note: M. Owen Warns reported a 1929 \$5 note on Charter Number 4067, The First National Bank, in *Paper Money*, Whole Number 87, page 146. He also reported a \$5 note on Charter Number 8765, "The Henderson National Bank," *Paper Money*, Whole Number 54, page 253. It is not known whether either of these were Type I or II.

* Indicates notes seen or reported.

TABLE II
RECORDED SERIAL NUMBERS FOR LARGE SIZE
HUNTSVILLE NATIONAL BANK NOTES

| | | | <u>Bank No.</u> |
|---|---------------|-------|-----------------|
| 1. National Bank of Huntsville, Charter No. 1560 | Orig Series | \$5. | 1837? |
| | Series 1875 | \$5. | 793 |
| 2. First Nat'l Bank of Huntsville, Charter No. 4067 | Brownback | \$10. | 2663 |
| | 1902 PB | 5. | 9239 |
| | 1902 PB | 5. | 10077 |
| | 1902 PB | 20. | 13586 |
| 3. Farmers & Merchants Nat'l Bank, Charter No. 4689 | NONE RECORDED | | |
| 4. Henderson Nat'l Bank of Huntsville, Charter No. 8765 | 1902 RS | \$10. | 553 |
| | 1902 PB | 5. | 25757 |
| (Treasury No. also 16164) | 1902 PB | 10. | 16164 |
| (Treasury No. K103546H) | 1902 PB | 10. | ? |
| | 1902 PB | 5. | 24093 |
| | 1902 PB | 20. | 15639 |
| | 1902 RS | 20. | 1136 |



First National Bank, Huntsville, Alabama

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