

The State National Bank of St. Louis and its Unique Engraved Signature Currency

by DAVE GRANT

The note illustrated below, poorly cut and in mediocre condition, is nonetheless one of my favorite St. Louis National Bank notes. Unlike the '02 notes of any other St. Louis national banks, this note carries signatures engraved on the printing plate at the Bureau of Engraving and Printing. The note was in the middle of a pile of "you won't find anything in there, its really just junk" notes apologetically offered by a dealer at the fall paper money show in St. Louis a couple of years ago. Significant items *do* lay around waiting to be discovered by the persistent and studious.

Curiously, although several St. Louis banks had very large circulations during the 1920s—the most notable of which was the National Bank of Commerce, Charter 4178—only the State National Bank chose to have signatures engraved on its plates, and not until the end of 1928.



BACKGROUND OF THE STATE NATIONAL BANK

THE earliest direct ancestor of the State National Bank was the State Savings Institution, incorporated on December 29, 1855. The Institution was chartered as a savings bank, but engaged in all of the functions of other commercial banks except for the issuance of bank notes. An early advertisement indicates that:

This institution is prepared to receive on deposit specie and currency, and allows interest thereon; buys and sells Exchange, collects notes, etc (City paper without charge)

Banking hours were from 9 AM to 3 PM and offerings for discount were to be made daily before 10 AM, for which an answer would be given by 11 AM.

Acknowledging the Institution's focus, in 1857 the Missouri Legislature authorized the conversion to a bank of issue under the name "Bank of Commerce." State's shareholders failed to ratify this arrangement, in part due to worsening economic conditions at the end of the year, and the opportunity was allowed to lapse.

The Institution's strong capitalization helped it survive the Panic of 1857, although it and other St. Louis banks suffered a

series of runs in late September and early October. Two years later the Missouri Legislature passed the Richardson Act, prohibiting state chartered savings banks from accepting bank notes quoted at less than par. It was common to accept deposits in the form of checks or notes drawn on outstate branches of St. Louis headquartered banks. With the shortage of specie, the home offices in St. Louis increasingly refused to redeem their branches' bank notes except at a discount or would only permit the deposit of such notes as "bankable funds." Thus, under the Act, such notes were not acceptable for deposit at chartered savings banks. To preserve this important segment of business, the Institution chose to surrender its charter and the shareholders formed an unchartered partnership as the State Savings Association. The amount of \$100,000 was added to capital but, because of the partnership arrangement, the strength of the bank was greater than its stated capital. A June 1860 *Banker's Magazine* article summarized the situation by noting that the State Savings Association is "one of the few institutions where every stockholder is liable to the extent of his private fortune for the liabilities of the bank in case of insolvency."

Times changed, and on January 26, 1864 the State Savings Association was rechartered since the passage of the National



A stock certificate from the State Savings Association, dated June 21, 1869 and signed by John J. Roe as president and Charles Parsons as cashier. The stock of the national bank had the same layout with par value at \$100 and authorized capital totalling \$2 million.

Not shown, the back of the certificate indicates payments received by the shareholder—Charles Hasebrock—after the formation of the national bank. In 1899, Hasebrock received 28 shares of State National Bank stock and \$63.62 in cash for each Association share. The liquidation of the Association's assets not transferred to the new bank took a number of years and Hasebrock received additional cash payments between 1900 and 1907 totalling \$25.50 per share.

Bank Act made the prohibitions of the Richardson Bill a dead issue.

In 1888 the company became the State Bank, more descriptive of its business, although the actual operation and officers were unaffected. Eleven years later, on January 30, 1899, the State Bank and the Commercial Bank consolidated into the newly chartered State National Bank of St. Louis, with paid-up capital of \$2MM and National Bank Charter number 5172.

The Commercial Bank had been founded in 1868 and had been held in very high regard. This changed when an examination in 1898 revealed that a very large nonperforming loan threatened Commercial's soundness. A commercial insurance agent owed the bank over \$600,000 of which \$400,000 was considered to be a loss. This was the result of a series of increasingly large loans which had, at first, been repaid through the receipt of premiums and commissions. Eventually, the very large size of the debt became unmanageable. Rather than permitting the bank to fail and liquidate, management began to look for a merger partner, approaching the National Bank of Commerce, Third National, and St. Louis National. The best terms were received from the State Bank, which took the opportunity to thoroughly clean both institutions of questionable assets.

State Bank's first three presidents—R.M. Henning, John How and John Roe—were all successful St. Louis merchants. The

bank's first professional banker, Charles Parsons, became president in 1870, a position he held until his death in 1905. Through 40 years of service, it was Parsons who had the greatest impact on the bank.

Parsons was born into an established New York merchant family in January 1824. He spent several years as a clerk in his father's store, in a bank and then as a partner in a commercial house in Buffalo, New York. He came to St. Louis in 1850, but was encouraged by Henry Bacon, of the important local banking house of Page and Bacon, to establish a bank in Keokuk, Iowa. At the start of the Civil War, Parsons left this successful enterprise and volunteered his services to the Union. With strong business capabilities, he was put in charge of the Union Army's rail and river transportation operations at St. Louis. Parsons' administration was so successful that he was promoted to lieutenant colonel and was offered the position of Director of the Bureau of Railroad Transportation for the entire United States in 1864. He declined, preferring instead the opportunity to become cashier of the newly rechartered State Savings Association. This was essentially the key manager of the Association and Parsons was elected president in 1870.

Pershall's *Book of St. Louisians* notes that the success of Parsons' tenure was such that the bank never paid a dividend of less than 5%, and for most of the period the dividend was 8%.

At the same time, the bank amassed a capital surplus of \$1.1 million. Parsons was well-known in national banking circles and had been proposed for the Secretary of the Treasury. He was president of the St. Louis Clearing House for more than two decades, had been American Banker's Association president several times, and was selected to preside over the World's Congress of Bankers and Financiers at Chicago in 1893. He became St. Louis City Treasurer in 1892, after a large embezzlement had been discovered, and resigned only after the completion of an investigation, restoration of the books and the election of a new Treasurer.

Although Parsons' reputation and extensive business connections brought substantial opportunities to the bank, bank examinations at the turn of the century reveal that his long tenure also had a downside. While the bank was very sound, its facilities were felt to be too small, some processes were overly cautious or old-fashioned and even the vault was old, out of date and offered little protection. In his 1901 examination, National Bank Examiner W.P. Fulkerson observed that the bank had not seen the level of growth compared with other banks and that "it would prove wholesome to the institution to interest some more active businessmen" in the directorate. Changes were slow to come, however, and Parsons was succeeded by two other "old timers," Lorraine Farquar Jones and John McCluney.



The Security Building, the home of the State National Bank from 1892 to 1929. The corner entrance has been closed off, but otherwise the building looks the same today as it did in 1896.

L.F. Jones was born in Charleston, West Virginia in November 1837 and began his career as an office employee at a Rhode Island cotton mill in 1853. As with Parsons, he felt the need to serve his country at the outbreak of the Civil War. He returned to the south in 1861 and enlisted in the Confederate Army where he rose to the rank of Captain of the Richmond Howitzers. At the end of the war he relocated to St. Louis and helped to organize the American Manufacturing Company, in which he remained an officer until his death. Although Jones had been a director and first vice president of the State Bank immediately prior to his election as president in 1906, Jones was not a professional banker. Nevertheless, when succeeded by John McCluney in 1907, Jones became the bank's chairman, a position he held until at least 1909, and remained a director until ill-health and old age forced his retirement from the board on September 9, 1913.



Charles Parsons in the 1880s



and Edward Pryor in 1900.

McCluney was also a West Virginian, born in Wheeling in 1840, although his family moved to St. Louis shortly thereafter. McCluney joined the bank in December 1857 and served continuously at the State Bank until his death. In the 1860s he was a teller, and succeeded Parsons as cashier in 1870. He was elected second vice president following the organization of the State National Bank in 1899. One has the sense that he managed most of the day-to-day affairs of the bank even prior

to Parsons' death. In fact, he was initially offered the presidency but declined in favor of L.F. Jones who was technically "second in command." At the anniversary of McCluney's 50th year with the bank on December 2, 1907, Jones resigned and McCluney was finally named president. His death in April 1914 ended his career with the bank.

Edward Bailey Pryor succeeded John McCluney. Pryor was another West Virginian, born in Fayetteville on March 8, 1854 but had been raised and educated in Palmyra, Missouri. He joined the Wabash, St. Louis and Pacific Railway Company as a clerk in the auditor's office in December 1879 and held increasingly important positions, eventually becoming the assistant to the president and vice president of the Wabash Railroad. This railroad entered receivership, and in 1912 Pryor was one of three court appointed receivers.

During this period he was also a director of the State National Bank and resigned from the receivership to become State's president following McCluney's death in 1914. Despite plunges such as financing the *Spirit of St. Louis* in 1927 and some modest attempts at modernization, the bank remained conservative and focussed on business lending, lacking a savings department or other services that would appeal to the consumer or retail market.

The late 1920s saw significant consolidation among major St. Louis banks. On July 1, 1929 the State National Bank surrendered its national charter and merged with the Mississippi Valley Trust Company and the Merchants-Laclede National Bank to become the Mississippi Valley Merchants State Trust Company. On opening day, this state chartered trust company held assets of \$80 million and had capital of \$9.6 million. This merger had been in the works since late 1928, but the State Bank did not become involved until March of 1929. Originally, the chairman of the new organization was to have been George Hoffman of the Merchants-Laclede Bank and Pryor was to become chairman of the executive committee. Hoffman unexpectedly died in April 1929, however, and Pryor became chairman of the combined institution. State National Bank shareholders received 28% of the stock of the new company. Not all assets were transferred to the new organization, and a liquidation company was organized—the State National Securities Company—to dispose of these assets and to pay the resulting proceeds as additional dividends to shareholders. Pryor acted as the liquidating agent, and was winding-up its affairs at the time of his death in May 1935.

CURRENCY ISSUES OF THE BANK

During its 30-year history the bank issued 2,291,192 bank notes with a total face value of \$19.8 million. Three types of notes were issued: 1882 Brown Backs and 1882 Date Backs, and 1902 Plain Backs. The issues and the five known signature combinations are summarized in Table 1. The 1882 Date Back note is very common for State, even in high grade, and even a few \$50s are known. Three St. Louis banks issued 1882 Date Backs: State, the National Bank of Commerce and Merchants-Laclede, and by far State's notes are the most commonly encountered by the collector.

It's also of interest to note that the bank should have issued 1882 Value Back notes starting in 1916 until its recharter in 1919. The bank must have had sufficiently large quantities of Date Back notes at the Currency Bureau so that additional printings in the form of Value Backs were unnecessary.

As suggested by Table 1, the scarcest signature combination is that of McCluney-Thompkins on 1882 Brown Backs. By contrast, either an 1882 Date Back or a 1902 Plain Back carrying the overprinted signatures of Pryor and Stadler is extremely common. These are usually "vanity-style" signatures printed in a bold black ink, and are frequently mistaken for autographs. A comparison with almost any other note with this combination will reveal that the signatures are, in fact, identical. While autographed notes may exist, this author has not encountered such examples.

THE 1928 ENGRAVED SIGNATURE ISSUE

National bank notes with engraved signatures are generally not scarce. They are easy to distinguish from notes on which signatures were overprinted since the signature lines were removed from the plates when the signatures were engraved. National bank notes were usually delivered unsigned and uncut to the banks, which had signatures added prior to issue. Originally, facsimile signatures were not permitted. Autographs were believed to be an effective anti-counterfeiting device. The resulting burden on banks with a large circulation must have been horrific and many began to lobby for the use of artificial methods of signing the notes. In fact, some banks may have actually employed such methods, since the 1881 *Annual Report of the Comptroller of the Currency* recommended that artificial methods of signing the notes be outlawed and a \$20 fine be imposed for each violation.

Table 1
STATE NATIONAL BANK OF ST. LOUIS
KNOWN SIGNATURE COMBINATIONS ON NATIONAL BANK NOTES

Cashier—President	Dates in Office	1882 BB			1882 DB					1902 PB		
		\$5	\$10	\$20	\$5	\$10	\$20	\$50	\$100	\$5	\$10	\$20
OVERPRINTED SIGNATURES												
Thompkins—Parsons	1/99–12/05	X	X	X								
Thompkins—Jones	1/06–12/07	X	X	X								
Thompkins—McCluney	12/07– 1911	X	L	L	X	X	X					
Stadler—McCluney	1911– 4/14				X	X	X					
Stadler—Pryor	4/14– 6/29				X	X	X	X	X	X	X	X
ENGRAVED SIGNATURES (\$5s only issued after Dec. 8, 1928)												
Stadler—Pryor										X		

X Signature confirmed for the issue

L Signature likely to exist for the issue

Within ten years, the attitude expressed by the Comptroller had been entirely reversed. In discussing the Act of July 28, 1892 it was noted that signatures of the bank officers were not essential to bind these liabilities to the bank. In fact, notes stolen from the bank and placed in circulation with forged, or even no, signatures were considered as legal obligations of the bank and were honored when presented for redemption. Thereafter a variety of methods was used to apply signatures including handstamps and local printers, although some officers continued to sign each note by hand. The Comptroller took a further step in recommending that engraved signatures be added to notes by the Bureau of Engraving and Printing. In the Comptroller's 1914 *Annual Report*, it was noted that:

The new Federal Reserve note issues, like all other current government obligations simply bear the engraved signatures of the appropriate Government officers.

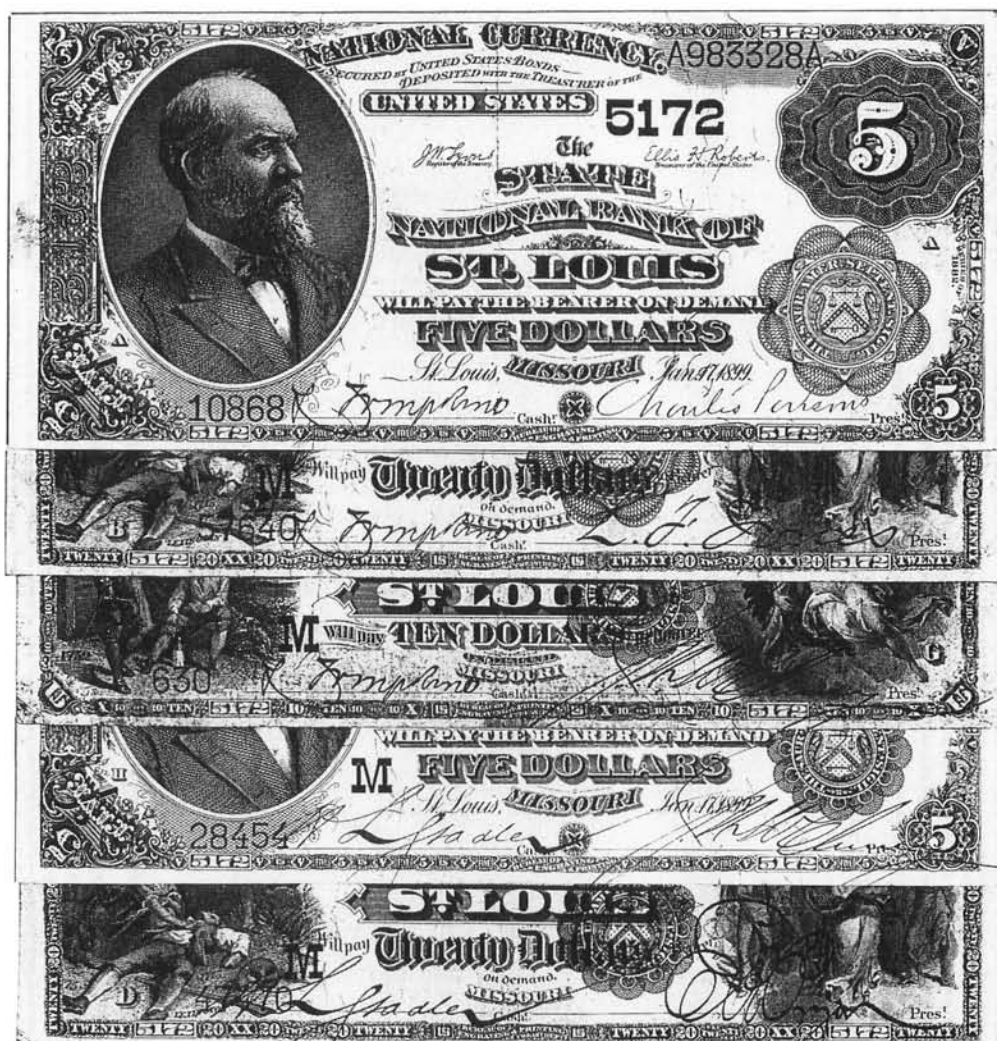
This would be a considerable timesaver for banks, no longer having to stamp, print or sign each note.

The notes would hold up better in laundering, which had been used for the "renovation, renewal or washing" of other currency. By contrast, notes with printed or written signatures could not hold up to laundering without blurring or destroying the signatures.

This recommendation continued to appear periodically in the Comptroller's *Annual Report*. Finally, and appropriately enough, a revision of section 5172 of the National Bank Act, approved on March 3, 1919, authorized the engraving of the signatures of the president or vice president, and cashier on the plates for printing the notes. A number of both large and small banks took advantage of this opportunity.

There is an interesting ledger in the Suitland Facility of the National Archives which details the production of printing plates and the associated costs from the end of April 1925 through the end of June 1933. A number of charges associated with the production of printing plates are indicated. In general, production of an original four note plate cost \$130; as the plates became worn with use, duplicate plates were produced at a cost of \$120. On March 7, 1925 an entry notes that the State National Bank paid \$120 for the creation of a duplicate 3/\$10-\$20 plate G-H-I-C to replace plate D-E-F-B.

A second entry for the State National Bank was made on October 29, 1928: "Engraving 2 signatures and transfer to 2 plates." The bank paid \$78 for this service. Specimen sheets in the Smithsonian Collection confirm that signatures were added to both the 4/\$5 plate I-J-K-L as well as the 3/\$10-\$20 plate G-H-I-C and examples both before and after the alteration are illus-



The five signature combinations on 1882 Brown and Date Backs. The top two combinations appear exclusively on Brown Backs while the bottom two combinations are only on Date Backs. The Thompkins-McCluney combination is transitional and appears on both types.



Comparison of the typical overprinted signatures (top) versus engraved signatures. Notice that the signature line only appears on the note with overprinted signatures.

Table 2
4/\$5 SHEETS, DATES RECEIVED AND ISSUED
BY THE CURRENCY BUREAU

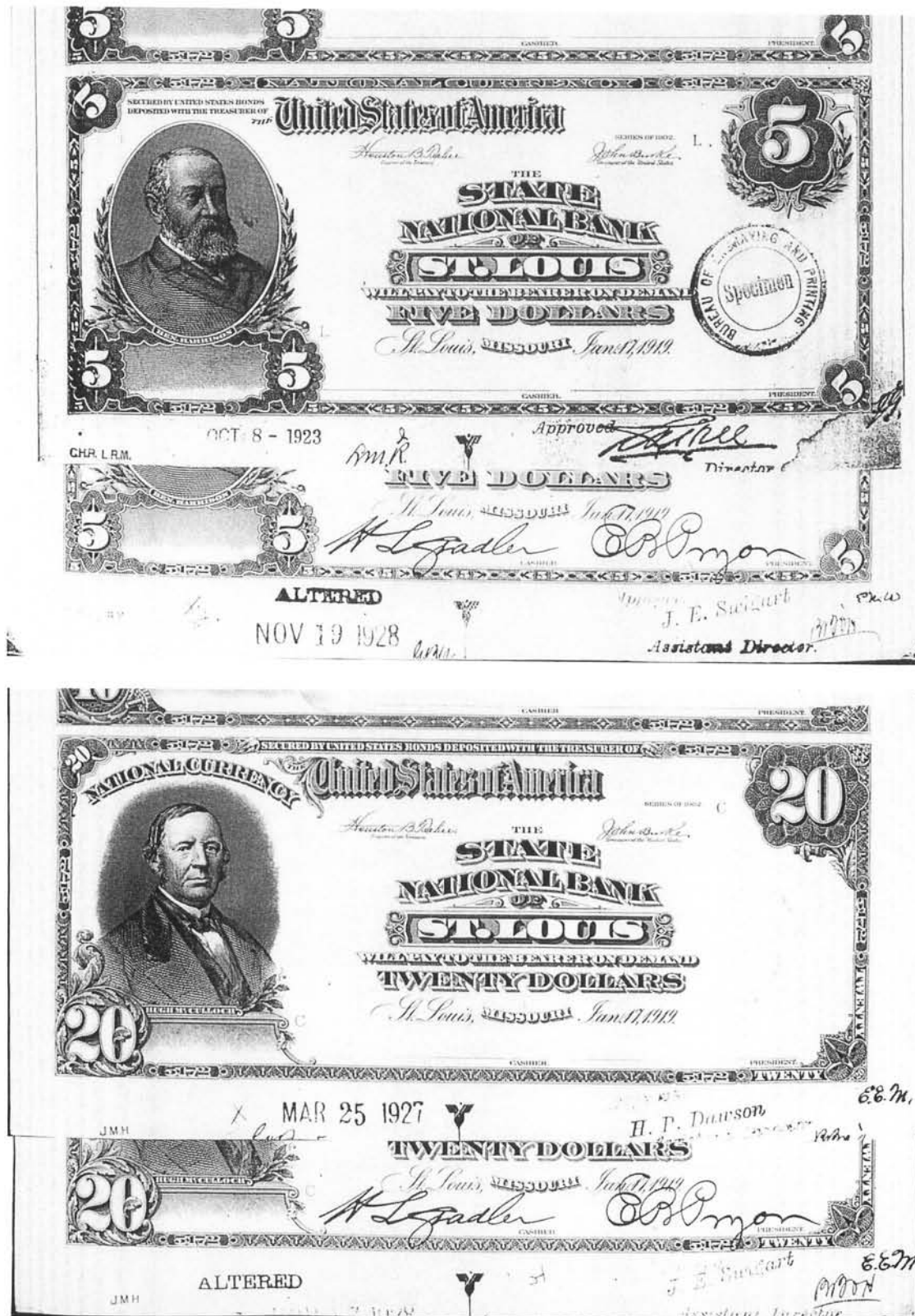
RECEIVED				ISSUED		
Beginning Sheet #	Ending Sheet #	Total # Sheets		Beginning Sheet #	Ending Sheet #	Total # Sheets
Issue brought forward from before 3/11/25					138,000	
10/29/28	SIGNATURES ORDERED FOR PLATES					
11/19/28	ALTERED PLATES APPROVED					
12/04/28	138,001	138,995	995			
12/08/28	138,996	141,965	2,970	138,001	138,785	785
12/13/28	141,966	144,949	2,984			
12/15/28				138,786	139,755	970
12/17/28	144,950	147,708	2,759			
12/22/28-01/15/29				139,756	143,135	3,380
03/28/29				143,136	144,135	1,000
04/04/29	"Issue suspended acct 5% fund"					
04/10/29	"Notice to resume issue"			144,136	145,435	1,300
04/18/29-05/08/29				145,436	147,255	1,820
05/15/29	LAST ISSUE OF 5s			147,256	147,570	315
07/01/29	VOLUNTARY LIQUIDATION					
07/19/29	CANCELLATION OF REMAINDERS			147,571	147,708	138

trated. A specimen from the I-J-K-L 4/\$5 plate was originally pulled on October 8, 1923; an example from the altered plate was drawn on November 19, 1928, about three weeks after the order was placed. Similarly, the original 3/\$10-\$20 plate G-H-I-C was proofed on March 25, 1927 (18 days after the order) with the specimen from the altered plate pulled on November 17, 1928.

Ironically, with the merger, this action became somewhat moot. A number of \$5 notes with engraved signatures was is-

sued but the altered 3/\$10-\$20 plate was used to print a number of notes, none were ever issued to the bank!

The Bond and Currency Ledgers at the National Archives indicate why this occurred, and key data is summarized in Tables 2 and 3. As indicated in Table 2, there were no \$5s in "inventory" at the Currency Bureau when the plate alterations were ordered. There were 138,000 sheets of 4/\$5s printed and entirely issued prior to March 11, 1925. On December 4, 1928 995 sheets of 4/\$5s were received from the Bureaus of Engraving



"Before and after" the alteration of the I-J-K-L 4/\$5 plate and the G-H-I-C 3/\$10-20 plate. Notice the 4/\$5 plate was originally proofed and approved on October 8, 1923. The plate was altered by the addition of officer signatures and the removal of the signature lines. This was approved on Nov 19, 1928. The 3/\$10-\$20 plate carries similar notations.



So close! The full G-H-I-C 3/\$10-\$20 specimen sheet held in the Smithsonian collection.

Table 3
4/\$10-\$20 SHEETS, DATES RECEIVED AND ISSUED
BY THE CURRENCY BUREAU

RECEIVED			ISSUED		
Beginning Sheet #	Ending Sheet #	Total # Sheets	Beginning Sheet #	Ending Sheet #	Total # Sheets
Issue brought forward from 3/3/28					
	122,694				
07/09/28-09/06/28			119,140	121,842	2,703
09/07/28	122,695	124,707			
09/10/28	124,708	127,677			
09/12/28			121,843	122,099	257
09/14/28	127,678	130,679			
09/18/28-10/26/28			122,100	124,477	2,378
10/29/28 SIGNATURES ORDERED FOR PLATES					
11/02/28-11/17/28			124,478	125,548	1,071
11/17/28 ALTERED PLATES APPROVED					
11/24/28-06/06/29			125,549	128,513	2,965
03/09/29	130,680	131,650			
03/13/29	131,651	134,655	128,514	129,262	749
03/28/29			129,263	129,263	1
04/04/29	"Issue suspended acct 5% fund"				
04/10/29	"Notice to resume issue"				
04/10/29			129,264	129,282	19
05/22/29 LAST ISSUE OF 10/20s			129,283	129,546	264
07/01/29 VOLUNTARY LIQUIDATION					
07/19/29 CANCELLATION OF REMAINDERS			129,547	134,655	5,109

and Printing by the Comptroller of the Currency, of which 785 sheets were issued to the bank on December 8th. It was from this issue that the humble note at the beginning of this article originated. The last \$5s were issued on May 15, 1929 and, when the bank entered liquidation in July, there were just 138 remainder sheets to be cancelled and destroyed.

By contrast, when the plate alterations were ordered for the 3/\$10-\$20 plates, over 5,000 of the old sheets remained in the vaults at the Comptroller's office. The last issue of these "old" notes occurred on May 22, 1929 and when the bank entered liquidation in July, there were about 1,100 sheets printed prior to October 1928—i.e., without signatures—as well as 3,976 sheets printed in March 1929 with engraved signatures. All were cancelled along with the remaining 4/\$5 sheets on July 19, 1929.

Although the addition of signatures coincided with a renewed production and issue of \$5 notes for the bank, there is no indication why the bank chose this moment to add signatures to the plates. Few records remain from the bank, and those officers in the know are now gone so its unlikely we'll ever know the rationale. Fortunately for St. Louis collectors, a few of the \$5s, along with the Smithsonian sheets, remain to provide testimony for a unique practice among St. Louis national banks.

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