

The Meteoric Rise and Fall of John M. Parkman, President of the First National Bank of Selma

by Charles Derby



Beginnings

John McGee Parkman's life growing up in Selma must have been grand. His father, Elias Parkman, moved to Selma when it was a new town in wild territory, in 1817¹. Elias built one of the first houses in Selma and was a very successful merchant. Elias was a solid citizen, including serving as a trustee on the Ladies Education Society Academy. John was born on January 12, 1838, the first child of four for Elias and his wife, Maria². But two of the children died by the age of two, so it was his sister, Alla (Catherine Alathena), three years younger than John, who he grew up with and became very close. Misfortune struck the family suddenly: Elias died in 1853 of yellow fever¹. John, the only and oldest son, even though only 15, became the provider. He was described as being hard working and even a "prodigy" at least in a business sense, which included his father's occupation of selling dry goods.

Success in the Bank of Selma

Then, an opportunity appeared. The Bank of Selma opened in 1858, and John got a job as a clerk. He must have done very well. By 1860, he was teller at the Bank, had accumulated \$8,000 in real and personal estate, and was living with his mother Maria and his sister Alla². He soon became the bank's bookkeeper, and then, in 1861, cashier, the position second only to president. He was the third cashier in the short history of the Bank of Selma, following Charles Lewis (1857-1859) and Robert Lapsley (1859-1861). The bank's president, Washington McMurray Smith, and board of directors must have thought very well of John.

During its brief existence (1858-1865), the Bank of Selma issued five notes in denominations of \$100, \$50, \$20, \$10, and \$5. Examples are shown in Figure 1, all (except the bottom right \$5 note) hand dated in 1862 and signed by J.M. Parkman cashier, W. M. Smith president, and W. J. Greene as Comptroller of Public Accounts for the state of Alabama.³ While the notes look similar, they were actually printed by two different printers. The \$20, \$10, and \$5 notes were produced by the American Bank Note Company and bear its imprint. They were printed in the late 1850s and some have the signed date of the 1850s; the \$5 note on the bottom right side of Figure 1 is dated July 4, 1859, and signed by Charles Lewis. With the war, inflation became a fact of life and the Bank of Selma, as with other banks, needed larger denominations. The Bank of Selma contracted with the American Bank Note Company for \$50 and \$100 notes. It produced proof notes, as shown in Figure 1 for a \$50 note. The \$50 proof has "Confederate States of America" written on the scroll on the top left, so the note must have been produced after the CSA's establishment in February 1861. With enforcement of trade restrictions between the North and the South, the contract between the American Bank Note Company and the Bank of Selma ended before delivery of notes. Instead, the Bank of Selma turned to the printing firm of Leggett, Keatinge & Ball of Richmond, which printed notes for the Confederacy. Leggett, Keatinge &

Ball produced \$100 and \$50 notes with a general appearance of the earlier \$20, \$10, and \$5 notes by the American Bank Note Company, but that differ in having the “Leggett, Keatinge & Ball, Richmond VA” imprint and having “186_” rather than “18__” as the date. Since Leggett was with Keatinge & Ball only from September 1861 to March 1862⁴, the \$100 and \$50 notes must have been produced during that time.



Figure 1. Notes issued by The Bank of Selma, 1858-1865. Bank of Selma notes from Heritage Auctions.

John Parkman and the Bank of Selma contributed to the war effort in other ways. The Bank was a Confederate depository, and an example of a CSA interim depository receipt is shown in Figure 1, signed by bank president W. M. Smith. In that capacity, the Bank of Selma also rented office space and sold office supplies to Confederate officials. An invoice for a check book and a memorandum book, costing \$15 and signed by Parkman as cashier, is shown in Figure 2.

Business was so good for John Parkman that he bought a mansion, later called Watts-Parkman-Gillman house and now known as Sturdivant Hall, shown in Figure 3. It was designed by Thomas Helm Lee (a cousin of Robert E. Lee), completed in 1856 for its original owner, Edward Watts, who sold it to Parkman on February 12, 1864, for \$65,000, the equivalent of more than \$1 million today!

Soon thereafter, the situation soured for Selma, the Bank of Selma, and John Parkman, as it did and would for others in the South. Brig. Gen. James H. Wilson and his Union Army Cavalry Corps captured Selma on April 2, 1865. Since the Bank of Selma was a CSA depository, its funds were heavily invested in the Confederate notes and bonds. William McMurray Smith (Figure 4), as president of the bank, tried to hide the bank's hard money, and was reported to have burned most of the bank's notes on April 20, 1865, to prevent their being captured in Wilson's raid. The Bank of Selma officially closed August 11, 1868.⁵



Figure 3. Sturdivant Hall, John Parkman's home in Selma from 1864 until his death.

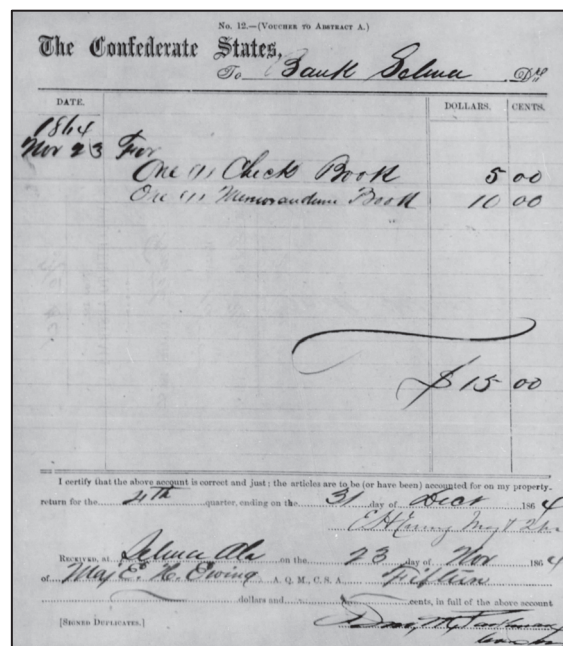


Figure 2. Invoice from the Bank of Selma to the Confederate States, signed by John Parkman as cashier. From the National Archives.



Figure 4. Washington McMurray Smith, President of the Bank of Selma⁶.

Parkman's Role in Producing Currency for the City of Selma

John Parkman played a major role in the production of a set of four fractional notes for the City of Selma immediately after the end of the War. The Selma City Council authorized the mayor, Madison Jackson Williams, to produce some much needed fractional currency for running city business, and he turned to his friend, John Parkman. Parkman was paid \$1,050 to travel to New York and have the American Bank Note Company print \$20,000 in notes of 5¢, 10¢, 25¢, and 50¢, shown in Figure 5.

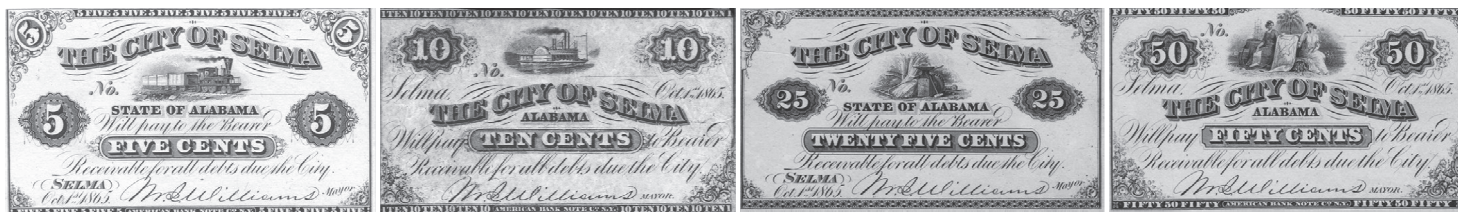


Figure 5. Four fractional notes for the City of Selma, Oct. 1865, which John Parkman arranged for the ABNCo. to print. From Heritage Auctions.

Official Pardon from President Andrew Johnson

The general amnesty that President Johnson provided to Southerners at the end of the war did not apply to Parkman, because he fell into "exemption 13" of the amnesty proclamation: "all persons who have voluntarily participated in said rebellion, and the estimated value of whose taxable property is over twenty thousand dollars." Parkman had friends in high places, and they wrote on his behalf. He received his pardon, signed by President Andrew Johnson and Secretary of State William Seward, on July 25, 1865, shown in Figure 6. As required to make it official, he signed the pardon and took the oath of allegiance in August 1865, then returned to Selma in September.

The Founding of the First National Bank of Selma

Parkman founded the first national bank in Alabama, under the National Bank Act of 1864. This was the First National Bank of Selma, organized on August 24, 1865, with charter number 1537, established with \$100,000 capital and Parkman as its principal stockholder and president, Charles Bruce Woods, Parkman's brother-in-law, who married Alla in 1863, was cashier.

Parkman again used people in high places to help him win this prize. A letter of support from June 12, 1865, came from the Secretary of the U.S. Treasury, Hugh McCulloch, and from the collector of internal revenue for the southern district of Alabama, Mobile, and the former U.S. Representative from Michigan, Francis William Kellogg, shown in Figure 7.

The bank printed \$85,000 worth of national currency. This was in the form of 4,250 sheets of notes, serial numbers 1-4250, each sheet having four \$5 notes with plate letters, A, B, C, and D. In 1915, only \$375 (or 75 notes) were recorded as unredeemed. No surviving notes are known.⁷

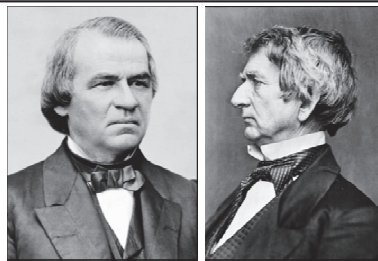
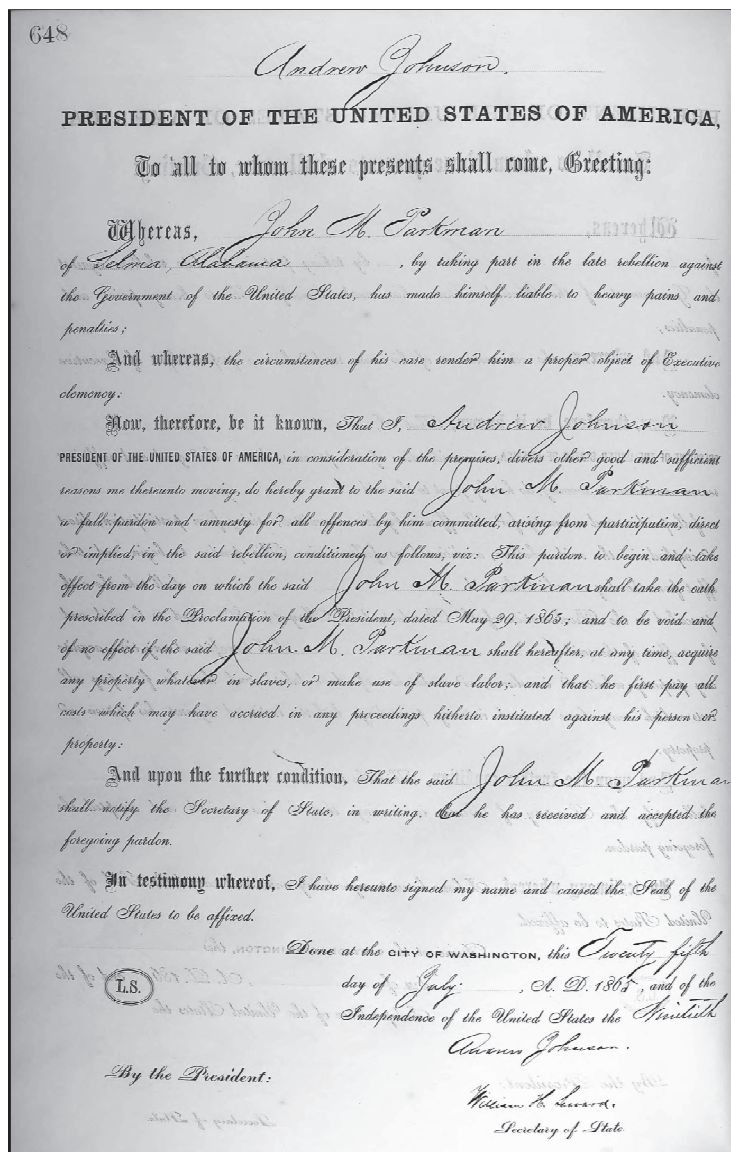


Figure 6. U.S. pardon for John Parkman, dated July 25, 1865, and signed by President Andrew Johnson (bottom left) and Secretary of State William Seward (bottom left and right, respectively). From The National Archives.



Figure 7. Letter of support for Parkman's bid for a national bank in Selma, signed by Hugh McCulloch and Francis W. Kellogg, respectively. From the National Archives.

Speculating in Cotton

Parkman earned money through various business ventures, one was cotton. In a letter to President Johnson dated September 30, 1865, Parkman complained of mistreatment at the hands of the U.S. District Attorney James Q. Smith, and the U.S. Marshall, Middle District of Alabama, John Hardy⁸. On September 28, 1865, Smith and Hardy seized his cotton, even though Parkman had all the required paperwork. They arrested him for resisting the U.S. Marshall's orders, and only released him upon his payment of \$7,000 bond. Parkman's letter spurred President Johnson to have his Attorney General, James Speed, investigate the matter. Speed contacted Smith, and this led to the immediate release of Parkman's cotton. But the matter of the charge of Parkman's warrant continued until May 1866. On May 19, Parkman again wrote President Johnson⁹, expressing the frustration of feeling that he was being extorted and "with the hope that you will take such action as will relieve not only myself but others from the continued annoyances and imposition of both the U S Attorney & Marshall." Speed ordered Hardy not to make any more unlawful seizures, and this matter was settled. Undoubtedly, there was bad blood between Parkman and Smith and Hardy. They were on opposite sides of the political spectrum: Hardy and Smith were anti-secessionists before the war, unionists during the war, and Republicans after the war,¹⁰ and Parkman was a Democrat and, as Smith called him, "an original precipitating fire eater of the Yancey school."^{8,9}

Besides indicating the difficult nature of post-war commerce and government interactions, this event also indicates the extent to which Parkman was investing in cotton futures in 1865 and 1866, and forebodes what transpired next.

The Fall

Parkman was speculating heavily in cotton, and it was not going well for him. He bought lots of cotton, and the price fell. The situation may have resolved itself had he invested only his personal funds, but that was not the case. He was investing funds from the First National Bank of Selma, whose major depositor was the U.S. government.

On April 1, 1867, the U.S. government successfully withdrew \$50,000 from the bank. When the government tried to withdraw \$75,000 more a few days later, Parkman asked for delay in payment. On April 14, the government demanded payment. Parkman promised payment the next day. But that night,

UNITED STATES PURCHASING AGENCY,
Treasury Department.

Mobile, Ala., June 12th 1865

Sir

John M. Parkman Esq formerly
Cashier of the Bank of Selma visits
Washington for the purpose of obtain-
ing the necessary permission to est-
ablish a National Bank in Selma
Mr Parkman is highly recommended
to me by gentlemen who know him
well. The gentlemen associated
with him are among the best men
in Selma & the necessity for a
Bank in that City is conceded
by every body. It is one of the
most important points in the State
and I hope you will think proper to grant
his request.

I have the honor to be
Very Respectfully
Yours etc etc
H. W. Kellogg
Secy of the Treasury
Washington

he reported a robbery, and he placed in the local newspaper, the *Selma Messenger*, the following item that appeared on April 16, 1867:

"Messrs Editors:—The severe loss of one hundred and sixty thousand dollars sustained by the First National Bank this afternoon, by robbery, prompts me to make this statement: The robbery occurred between 2 and 3 p m., while the cashier, book-keeper, and runner of the bank were absent at dinner, or on business, the undersigned being alone in the bank; and if any carelessness can attach to any one, he alone is the party to bear it. It is evident the robbery was committed from the side door of the bank, while the writer was engaged at the front counter. John M. Parkman, President

"20,000 REWARD. I will give twenty thousand dollars reward for the recovery of the \$160,000 stolen from the First National Bank today, and in that proportion for the amount recovered. John M. Parkman, President."

Brigadier General Wager Swayne, the military governor of Alabama (Figure 8), went to Selma immediately and investigated the robbery. Under orders from the U.S. Secretary of the Treasury, Swayne took charge of the bank, including its building, property, effects, books, and papers. The bank's officers were arrested; however, they were given immediate parole so they could reside at home.

The next day, April 17, Parkman went missing, escaping Selma on horseback. He had jumped parole. Over the course of the day, Swayne's investigation showed malfeasance and illegal activities on the part of the officers of the bank: as reported in the *Selma Messenger*: *"the capital of the bank was never paid in, the circulation was used to pay for the bonds upon which it was obtained, and the bonds deposited to secure the government."* There was a deficiency in the \$200,000 cash account. There had been no robbery as reported by Parkman.

The next day, on April 18, Swayne placed the following item in the *Selma Messenger*:

"\$1,500 REWARD. For account of the treasury department, a reward of fifteen hundred dollars is offered for the arrest and delivery to the military authorities at any point within this state of John M Parkman, the defaulting and absconding president of the First National Bank of Selma, Ala. For the recovery of such money or valuable securities as said Parkman may have in his possession, a further reward will be paid, proportioned to the amount restored to the government. Wager Swayne, Major General."

Two weeks later, on April 30, the First National Bank of Selma went into receivership, with Cornelius Cadle, Jr., appointed as the receiver.¹¹ On May 28, the Comptroller submitted a charge of a violation of the bank's charter, and a summons was issued for the bank's directors to appear. No directors showed. On June 1, a decree of non-appearance, *pro confesso*, was filed in the U.S. District Court, and the bank forfeited all the rights, franchises, and privileges – the bank failed and went into receivership, just 20 month after it opened its doors.

Parkman was captured on April 19 in Wilcox County, returned to Selma, then imprisoned in the county jail at Cahaba. On May 23, he attempted to escape, and died. There are many stories about his escape and death: his friends had devised an escape from jail, involving whisky; he was shot by a guard and died; and so on. The consensus of newspapers at the time¹²⁻¹⁵, including the *Selma Times*, as well as later writing¹⁶, is that Parkman escaped from his jail cell, was shot at but was unharmed as he ran 75 yards distant to the Alabama River, jumped in, and floated 20 yards downstream to the steamer *Gertrude*.

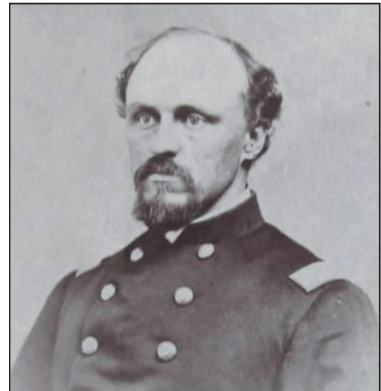


Figure 8. Brig. Gen. Wager Swayne. From the National Archives.

People on board saw him reach the wheel of the boat, which was not in motion, pause, then release and drift under the boat and out of sight¹³. His body was recovered days later, when it was returned to Selma for burial on May 31 in the grand cemetery of Live Oak, bearing the simple marker, "In Memory of John M. Parkman. Born January 12, 1838. Died May 23, 1867." Only 29 years old! The *Selma Times*¹³ framed his sad end in this way:

"Mr. Parkman's rapid success in business and his pleasant social qualities had won for him the kindly interest of our best people. His errors in the closing scenes of his bank should, we think, be attributed to his youth and ambition, and not to any mature fraudulent intentions concerning its affairs."

Epilogue

Tragedy struck Parkman's family following his death. His wife, Sadie, and their two small girls, Emily and Huntie, were "*overwhelmed with the sad calamities of a few weeks and exciting the tenderest sympathies of the entire community*"¹⁶. John's sister, Alla, and his former cashier, Charles Bruce Woods, delivered a baby boy just three months after his death, and named him John Parkman Woods. But only four months later, in December 1867, Alla died, and four days later, Charles' mother died. Sadie, her two girls, Alla's three small children, and John's mother, Maria, were living together in Sturdivant Hall². But they had to sell the mansion in 1870 for \$12,500, a mere fraction of their purchase price of \$65,000.

Selma, a growing city in the 1860s, eventually got another national bank, the City National Bank of Selma, three years after the failure of the First National Bank of Selma. The City National Bank of Selma had a much longer existence, from 1870 to 1983.

The notes associated with John Parkman are a prized find. The City of Selma fractional notes and the Bank of Selma \$20, \$10, and \$5 notes are more common than the \$100 and \$50 Bank of Selma notes, which are rare. Finding a \$5 note from the First National Bank of Selma would be exception since none are known currently.⁷

References

- 1 Hardy, John. 1879. *Selma; Her Institutions, Her Men*. Times Book and Job Office: Selma, Alabama.
- 2 U.S. Censuses of 1850, 1860, 1870, 1880.
- 3 Garrett, William. 1872. *Reminiscences of Public Men in Alabama, for Thirty Years, with an Appendix*. Plantation Publishing Company's Press, Atlanta, Georgia.
- 4 Stacks' Bowers: <http://www.stacksbowers.com/NewsMedia/Blogs/TabId/780/ArtMID/2678/ArticleID/64741/A-Brief-History-of-Confederate-Currency-Printers-Leggett-Keatinge--Ball-.aspx>
- 5 Rosene, Walter, Jr. 1984. *Alabama Obsolete Notes and Scrip*. Society of Paper Money Collectors.
- 6 Jackson, Sharon J. 2014. *Selma*. Arcadia Publishing, Charleston, SC.
- 7 Kelly, Don C. 2008. *National Bank Notes*. 6th edition. The Paper Money Institute, Inc.
- 8 Bergeron, Paul H. (editor). 1992. *The Papers of Andrew Johnson. Vol. 9: September 1865 – January 1866*. Univ. of Tennessee Press, Knoxville.
- 9 Bergeron, Paul H. (editor). 1992. *The Papers of Andrew Johnson. Vol. 10: February-July 1866*. Univ. of Tennessee Press, Knoxville.
- 10 Howard, Milo B. Jr. 1969. "John Hardy and John Reid: Two Selma men of letters." *Alabama Review* 22, 44-52.
- 11 Dana, William B., editor. 1868. *The Merchants Magazine and Commercial Reviewer*. Vol. 59. William B. Dana, Publisher and Proprietor, New York.
- 12 "A grand bank swindle." *The Stillwater Messenger* (Minnesota), Volume May 1, 1867: <https://archive.org/details/jan2186617thes>
- 13 "The Selma Bank Robbery - Suicide of the President, John M. Parkman," *Selma Times*, May 24, 1867, and *Cincinnati Daily Enquirer* (Ohio), June 3, 1867: www.newspapers.com/newspage/32009950
- 14 *The Daily News and Herald* (Savannah, Georgia): June 14, 1867.
- 15 "Suicide of a bank president at Selma, Alabama": *New York Times*, May 25, 1867.
- 16 Sommerville, Diane Miller. 2014. "Cumberer of the Earth": suffering and suicide among the faithful in the Civil War South." In: *Death and the American South*. Craig Thompson Friend and Lorri Glover, editors. Cambridge University Press, UK.

Acknowledgments: I thank Bill Gunther and David Hollander for valuable comments on a draft of the manuscript, Anne Knight for helpful discussions about John Parkman, and Catherine Gordon for her information and tour of Sturdivant Hall.