

No Bank? No Problem! The Arkadelphia Exchange, Arkansas

Charles Derby

Arkansas was without banks during the Civil War because it did not trust them. After Arkansas became a state in 1836, its legislature established two banks: the government owned State Bank of Arkansas and the publically owned Real Estate Bank of Arkansas.^{1,2} But with the Panic of 1837, the suspension of redemption of their bank notes in specie in 1839, and continued printing of new notes, bank currency lost its value, and by 1844 both banks closed. The loss of trust in banks became legislated in 1846, with a state constitutional amendment that *"No bank or banking institution shall be hereafter incorporated, or established in this State."* This was the law in Arkansas until after the Civil War. Still, people needed currency for commerce, so private institutions, essentially unincorporated local banks owned and operated by local merchants and stockholders, printed money and backed it. In Arkansas, these institutions were called "exchanges," and they existed in most cities and towns. Currency bearing the term "Exchange" is known to have been used in Murfreesboro, Helena, Washington, Magnolia, Eunice, Batesville, Fort Smith, Searcy, and Powhatan.² In some cases, such as the

Washington Exchange Company and the Columbia Exchange Company in Magnolia, seven or eight stockholders or merchants are listed on the notes, representing those participating in the exchange. In other cases, such as the Fort Smith Exchange, the name of a single company – Mayers & Bro. – is listed on the note. In yet other cases, such as the Searcy, Arkansas, Exchange, no names or merchants are printed, and only the signature gives a hint as to the merchants involved. The focus of this article is the currency from the Arkadelphia Exchange, of which a 50-cent note is shown in Figure 1.

Arkadelphia

Arkadelphia is situated on a bluff overlooking the Ouachita River in Clark County in southwest Arkansas. Clark County was established in 1818 as Arkansas' third county, named after the famous explorer William Clark.^{1,3,4} Originally named Blakelytown for one of its early settlers, Arkadelphia was given its name, meaning *"arc of brotherhood,"* when it became the county seat in 1842. Arkadelphia grew as it became the market for farms that sprang up along the Ouachita River's flood plains and surrounding areas, and by 1860, Arkadelphia was the seventh most

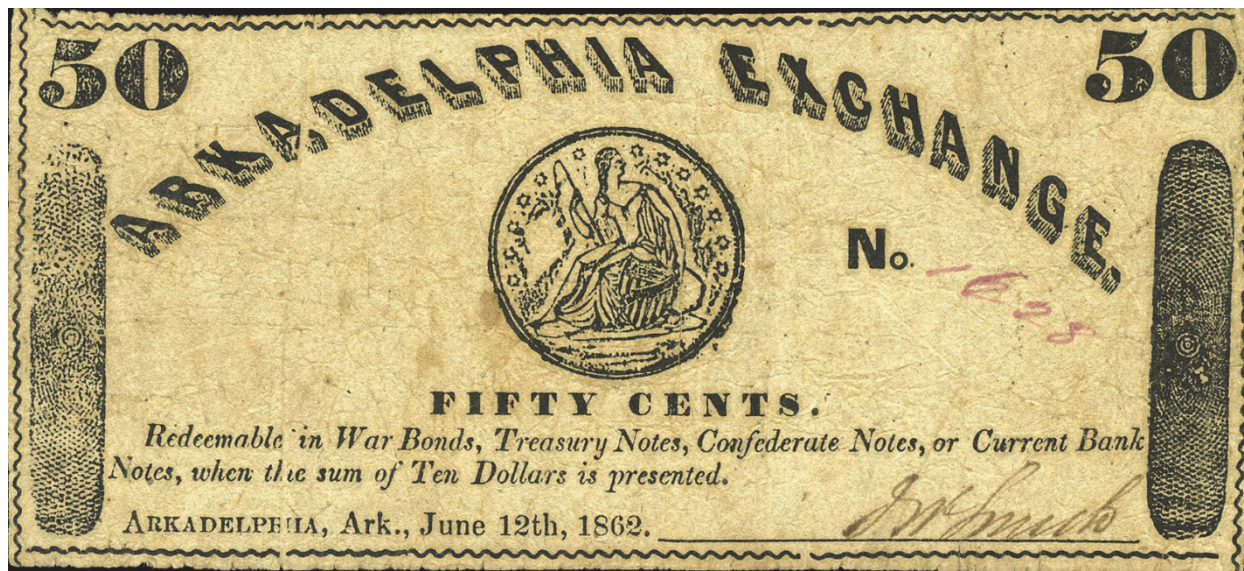


Figure 1. Arkadelphia Exchange 50 cent note from June 12th, 1862, signed by I. W. Smith and printed by John N. Harris. From Heritage Auctions.

populous town in Arkansas. During the Civil War, Arkadelphia became a depot for salt and ordnance works. With its commercial interests and without state or bank currency, Arkadelphia looked to its citizens for notes, and the Arkadelphia Exchange was their answer.

Arkadelphia Exchange Notes

Rothert² lists six types of notes from the Arkadelphia Exchange: R11-1 (10 cents), R11-2



Figure 2. Arkadelphia Exchange \$1 notes. Top is R11-5 (courtesy of Rodney Kelley), the rest are R11-UNL. Middle and bottom from Heritage Auctions.

(25 cents), R11-3 (50 cents), R11-4 and R11-5 (\$1), and R11-6 (\$2), and he shows images of R11-1, R11-2, and R11-5. Rothert also lists six

print dates: Jan. 1, 1862; May 16th, 1862; June 12, 1862; July 25th, 1862; Jan. 1, 1863; and 186_ with the rest to be filled in by hand. Since some notes have the same date (for example, R11-1 and R11-2 are both July 25th, 1862), there are many more than six types of notes. A 15-cent note has also been reported, with a different date than those listed above, January 18, 1862. In fact, almost every note that I have examined differs from others in some way. Examples of Arkadelphia notes are shown in Figures 1, 2, 3, and 4. Figure 2 shows four varieties of \$1 notes: the first is R11-5; the rest are R-UNL, and all have different dates. Figure 3 shows two varieties of 10 cent notes, identical except for the border: the 10 cent note with an ornate border is the R11-1 plate note in Rothert, and the other with a simple double straight-line border. Many notes have a wavy line border shown for the 50 cent note in Figure 1. Yet other notes, including other examples of this 50-cent note, as well as notes in Figure 3, have borders that are partially wavy lines and partially



Figure 3. Arkadelphia Exchange 10 cent notes. Top is the R11-1 plate note from Rothert. Bottom is R-UNL, similar to R11-1 but with a different border. The border of R11-1 is identical to the border of the \$1 Jan. 1st, 1863, note at the bottom of Fig. 2.

simple lines. Figure 4 shows the 15-cent note (R11-UNL). Most notes were hand signed by “I.



Figure 4. Arkadelphia Exchange 15 cent note. R11-UNL. Courtesy of Rodney Kelley.

W. Smith,” with an example enlarged at the top of Figure 5. Two notes – the \$1 R11-5 note and the 15-cent note have what appears to be identical signatures that may be stamped rather than hand signed (middle two notes in Figure 5). One note (bottom of Figure 5) appears to have a signature other than I. W. Smith. A complete description of the diversity of notes from Arkadelphia Exchange is needed.



Figure 5. Signatures from 4 notes. Top to bottom: 50-cent (Fig. 1), \$1 R11-5 (top Fig. 2), 15 cent (Fig. 4), and \$1 R11-UNL (bottom Fig. 2).

John N. Harris, Printer of the Arkadelphia Exchange Notes

The 10 and 25 cent fractional notes dated July 25th, 1862 (R11-1 and R11-2, respectively), have the imprint “J. N. HARRIS, PRINT.” Rothert describes similar 50 cent (R11-3) and \$1 (R11-4) notes, but I have not seen these notes to confirm

that they have the same imprint. Although other Arkadelphia exchange notes do not bear an imprint, similarities in the fonts and text in these notes strongly suggest that they were all produced by the same printer. Even the \$1 note at the bottom of Figure 2, with different shape and general appearance than the others, has the same border and text font as the 10-cent note at the top of Figure 3. The 25 cent Arkadelphia Exchange note (R-UNL, and bearing the date January 18th, 1862, not listed in Rothert²) is very similar to a 25 cent note from Chicot County Exchange, as shown in Figure 6, revealing that “J. N. HARRIS, PRINT.” was responsible for these notes from Eunice, a town that disappeared in a flood in 1867.²

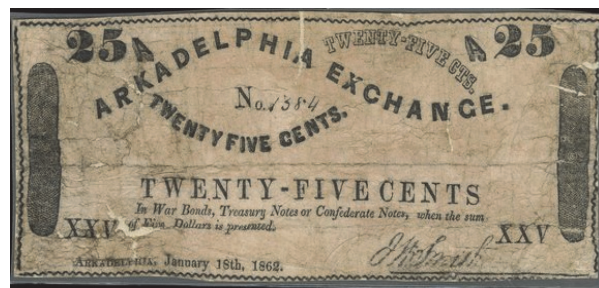
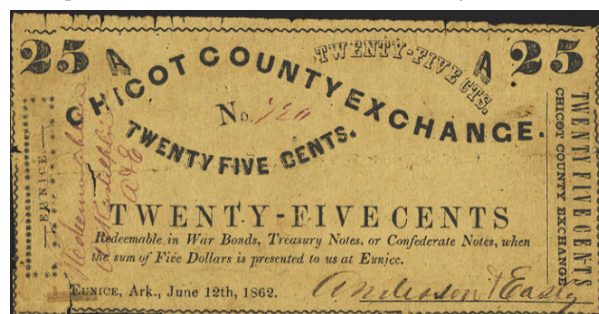


Figure 6. 25 cent notes from Arkadelphia Exchange and Chicot County Exchange. Both are R-UNL and likely from the same printer, “J. N. Harris Print.” From Heritage Auctions.



“J. N. HARRIS, PRINT.” refers to John N. Harris.⁵ John Harris was born in Alabama in 1821. He probably served in the Mexican War, and then moved to Arkadelphia soon thereafter, by 1850.⁴ He married Elizabeth Ann Davenport (1837-1897) in 1851 when she was only 14 years old. Elizabeth was born in Alabama to James William Davenport (1806-1853) and Laurena Rogers Davenport (1810-1837). In 1850, Elizabeth was living in Caddo, Clark County, with her deceased mother’s brother, Wylie Newton Rogers (1813-1891) and his wife, Melissa Janes Rogers (1824-1890). By 1860, at 37 years old, John Harris was a newspaper

publisher and job printer, had acquired a respectable personal wealth of \$1,000 in real estate and \$2,000 in personal estate, and was the father of four children.⁷ John and Elizabeth eventually had 8 children. Harris worked for Arkadelphia's first newspaper, *The Arkadelphia Sentinel*, and its publisher, Robert L. Pegues, which was established in September 1850.⁴ Harris later became the proprietor of the newspaper, *The Arkansas Traveler*. The story of *The Traveler* is told in Allsopp⁸. *The Traveler* was first published in Arkadelphia in 1852. *The Traveler* was started by James A. Warner, who ran it for 18 months before selling out to Samuel M. Scott. In turn, Scott ran *The Traveler* for three years before selling it in 1857 to Harris, Davenport, & Co., with John Harris as lead partner and one of his wife's family members, probably her father James Davenport, as junior partner. John Messenger was hired as editor. It was during this time, in 1862 and 1863, that Harris printed the Arkadelphia Exchange notes from his job print business associated with *The Traveler*. Harris sold *The Traveler* during the Civil War to Rev. J. E. Cobb, and it was discontinued shortly thereafter. After the war, Harris again purchased *The Traveler* and co-published it with D. Dyer (probably Don Dyer, son of Nicholas Dyer, postmaster and leading citizen of Arkadelphia⁶) and hired Lou T. Kretschar as editor. *The Traveler*'s post-war run was short before it closed for good.⁸ In 1870, John Harris was still in Arkadelphia and working as a printer.⁷ By 1880, at age 59, he was living in Missouri, Clark County, and "keeping hotel."⁷ John Harris died October 28, 1892, in Gurdon, Clark County. John's legacy as printer and newspaper publisher lived on in his son, Samuel Scott Harris (1859–1919), who John named after Samuel Scott from whom he purchased *The Traveler* in 1857. John taught the printing and newspaper business to son Scott, who, after working at *The Traveler* with his father, and later working at *The Arkadelphia Daily News* and *The Arkansas Gazette*, founded his own newspaper, *The Gurdon Times*, in 1894, two years after the death of his father.⁸

Isaac Williams Smith, Signer of the Arkadelphia Exchange Notes

The Arkadelphia Exchange notes bear the signature "I. W. Smith." The man behind the signature is Isaac Williams Smith (Fig. 7).^{5,7,9} He



Figure 7. Isaac Williams Smith.

From ⁵.

was born on January 13, 1818, in Johnson County, Illinois. His mother and father both died by 1835, so in November 1837, at the age of 19, he left Illinois and moved to Arkansas where his older brother, Willis S. Smith (1810-1891)^{1,5,6,9},

had settled in 1833 (Fig. 8). Willis lived in Greenville, which was the Clark county seat at the time, where he quickly established an upstanding reputation. He was elected Clark County's first sheriff in 1836 and served as the county's assessor and collector. When Isaac joined Willis in Greenville, he was elected constable, then deputy sheriff serving under his brother. The fact that the brothers were over 6 feet tall must only have helped them in their official duties. Isaac married Angelina Janes (1820-18630) on August 1, 1839, in Clark County. Angelina was sister to Melissa Janes Rogers, thus connecting Isaac Smith to John Harris through marriage. Though Isaac and Angelina had 11 children, only two survived into adulthood. Angelina died in January 1863, and Isaac remarried in October 1865 to Mary F. Dickens (1841-1883). They had three children. Isaac and Willis both resigned the sheriff's office in 1844. Willis had learned medicine and established a medical practice while also farming at his Rawl's Hill plantation near Whelen Springs (Fig. 8).^{1,6}

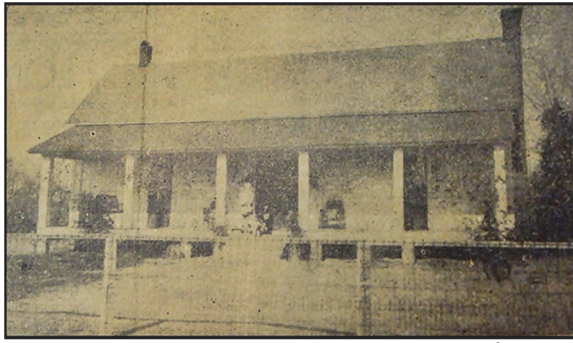
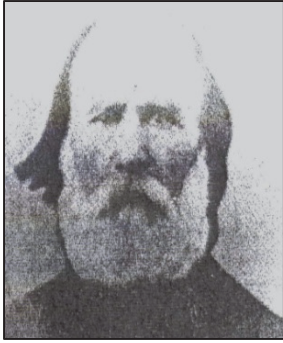


Figure 8. Dr. Willis Smith (left) and his Rawl's Hills Plantation (right). From ⁶.

Isaac held the elected position of clerk of the circuit and county court in 1846-1856, as well as several other public offices. In 1856-1862, he was a merchant working for Barkman, Kingsbury, & Co.⁹ In 1858, Isaac received a license to practice law, and in the same year, he helped establish the Arkansas Institute for the Education of the Blind.⁹ In 1862, he filled in as county clerk when the current clerk resigned, and also served as the county's representative in the Arkansas Senate until the end of the war. From 1865-1874, he practiced law and farmed in Beech Creek township, near Willis's plantation. In 1874-1886, Isaac was elected judge of the county and probate court. In 1886, he was again elected to represent Clark County in the State Legislature.¹⁰ In 1894-1896, he again served as county judge. Obviously, the people trusted Isaac, and he in turn felt an obligation to serve his community. As clerk and judge of the county court, Isaac spent many years in the Clark County Courthouse in Arkadelphia (Fig. 9).³ Built in 1844 after Arkadelphia became the county seat in 1842, this building served as the court house until 1899 when the new and current courthouse was constructed. Isaac wrote and signed many Clark county documents as clerk and judge, and these are still accessible today. An example is shown in Figure 10.

Isaac died in 1894 at his farm. His obituary¹¹ reveals that he died "*of general debility after a brief illness.*" The author of his obituary described Isaac as "*amongst the bright galaxy of all the old time pioneers, there was no character more untarnished, no nature more genial, no nobler, no better perhaps....He was a practical pains taking, matter of fact thorough going, industrious, sober business man, and certainly he*

demonstrated and exemplified during the half century and more he lived in Clark county, that he was supremely an honest man. Although possessed of great energy and force of character, his was, withal, a generous, kindly disposition; and so extraordinary indeed, was he endowed with social qualities." A biographer⁹ concluded, "No name is

justly entitled to a more enviable place in the history of Clark County...for it is borne by a man who has been usefully and honorably identified with the interests of this county, and with its advancement in every worthy particular."

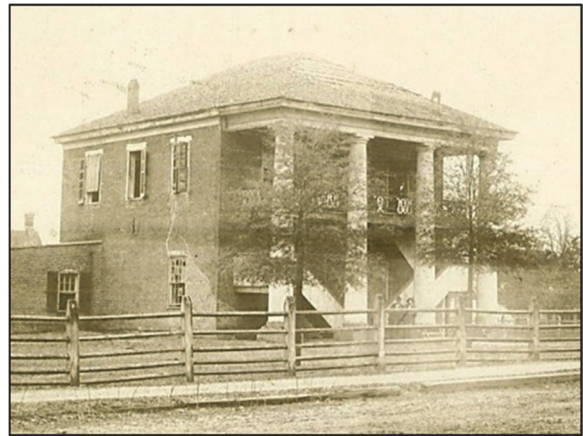


Figure 9. Clark County Courthouse, where Isaac Smith spent years as county clerk and judge. From ³.

What Was the Arkadelphia Exchange, and Why Did Isaac Smith Sign their Notes?

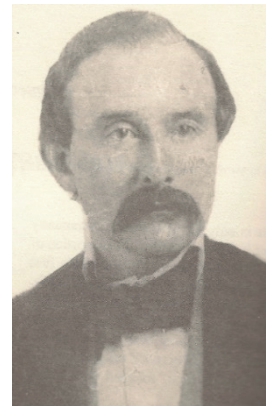
What merchants were involved in the Arkadelphia Exchange? Since the names of stockholders or merchants associated with the Exchange were not printed on the notes, the only clue on the notes themselves is the signature of Isaac Smith. A key to this puzzle is that when Smith signed the notes in 1862, he was working for Barkman, Kingsbury, & Co.⁹ This company was owned by James E. M. Barkman (1819-1865) and Thomas Dwight Kingsbury (1821-1875). While Smith had a respectable \$3,300 real estate and \$3,200 personal estate in 1860, Barkman and Kingsbury were much wealthier: Barkman owned \$30,000 real estate, \$35,350 personal property, and 28 slaves, and Kingsbury owned 25,000 real estate, \$11,000 personal

State of Arkansas
County of Clark }
I Isaac W. Smith, Clerk
of the Circuit Court and Ex-officio
Recorder in and for the County of
Clark and also Clerk of the Court of Probate
do hereby certify that the foregoing instru-
ment of writing was this day filed
and is now duly recorded in Book
A on Page 2584 2584 & 260
Witness my hand and the seal of
said Court at my office in
Arkadelphia this December 6th 1854
W. Smith Clerk

Figure 10. Document written and signed by Isaac W. Smith as clerk of the Clark County Circuit Court in 1854.
From Ancestry.com.



Figure 11. Left, House of James E. M. Barkman, built in 1860. From ¹². Right, James' father, Jacob Barkman, one of the original settlers in Clark County. From ⁴.



estate, and 13 slaves.⁷ James Barkman was the son of Jacob Barkman, one of Arkadelphia's original settlers who migrated to the region in 1811. Jacob Barkman (Fig. 11), a businessman and plantation owner, generated substantial wealth,^{1,3,4,6} but it was James who as a planter and entrepreneur became extraordinarily wealthy.

In 1860, James built an expansive mansion that stands today (Fig. 11).¹ James served in the Arkansas State House of Representatives in

1854,⁶ and when the Civil War began, he enlisted on July 27, 1861, as 1st lieutenant in the 2nd Arkansas Mounted Rifles, Company F.¹³ Thomas Kingsbury's brother, George Steele Kingsbury, was a sergeant in the same company as James Barkman. Barkman was discharged in May 1862 when the regiment reorganized at Corinth, Mississippi.¹³ Thomas Kingsbury's father, Dr. Samuel Kingsbury, was also an early settler of Arkadelphia who died in 1826 when

Thomas was only 5 years old.^{5,6} During the war, Barkman, Kingsbury & Co., besides all of its many other business activities, sold blankets, guns, and other items from to Arkansas troops, even those as distant as in Virginia.¹³ It is a reasonable speculation that it was the wealthy merchants James Barkman and Thomas Kingsbury who organized and financed the Arkadelphia Exchange, and Isaac Smith signed its notes in his capacity as employee of Barkman, Kingsbury, & Co.

A Final Note from Isaac W. Smith

Postwar Arkansas continued to experience hard economic times, a dearth of banks (only three national banks existed between 1862 and 1882), and a lack of circulating currency. Consequently, cities and counties were forced to issue their own warrants and currency. The note in Figure 12 is a \$10 warrant from Clark County, issued by the county treasurer, Jacob Lawson Stroope, to Isaac Smith, payable “out of any money in the Treasury appropriated for county expenditures.”

References

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- **Thanks to Rodney Kelley and Bill Gunther for their comments on this work.

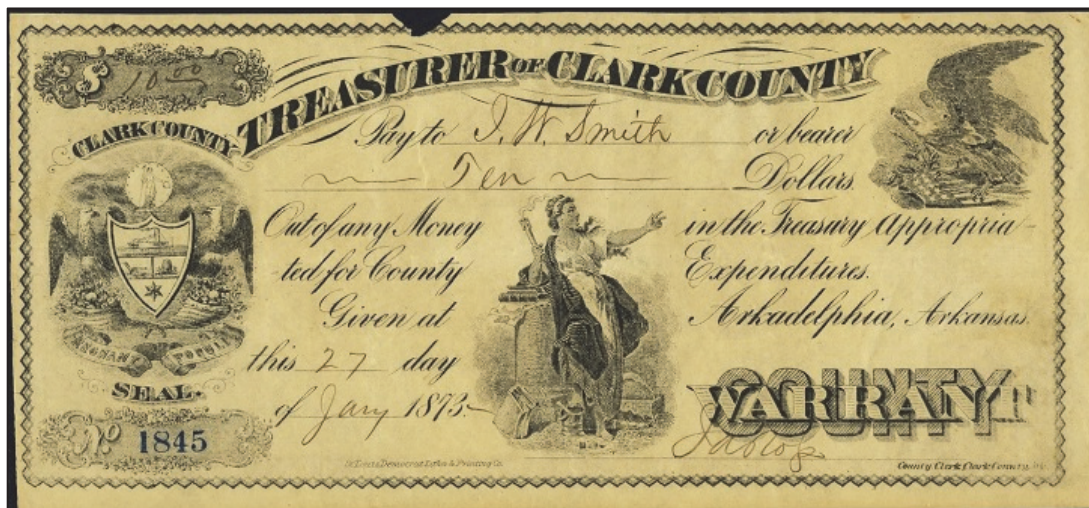


Figure 12. 1875 Clark County Treasury Warrant (R13-2), paid to I. W. Smith. From Heritage Auctions.