



The Paper Column

by
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The First National Bank in Utah Territory



Figure 1. A note from The Miners National Bank of Salt Lake, the first bank chartered in Utah Territory. Notice that the postal location is Great Salt Lake. Photo courtesy of Andrew Shiva.

OVERVIEW

The Miners National Bank of Salt Lake was organized February 9, 1866 and chartered March 28th. Not only was it the first national bank chartered in Utah Territory, it also was the first in what is today Salt Lake City.

But Salt Lake City at the time the Miners National was chartered was called Great Salt Lake City, so the location in the bank title is incorrect and the postal location written in script is also incomplete. This is the type of situation that I thoroughly relish finding and unraveling.

The fact is, the bankers improperly filled out their organization certificate by providing incomplete location information. Then an attempt by the clerks in the Comptroller's office to improve it was flawed.

I'm not going to drag you through another bank history here, instead we are going to use this fabulous note as an excuse to see how Utah Territory came about and how the name of its host city evolved over time. Sure, we'll look at the bank, but only briefly, because that's not the best story here.



Figure 2. Map of the United States and northern Mexico before the Mexican-American War of 1846-8, where the yellow area represents lands claimed by the Mexican Republic following Mexico's independence from Spain in 1821. Map adapted from Wikimedia Commons.

Origin of Utah Territory

The first in a group of 148 Mormon settlers in a wagon train led by Brigham Young arrived in the Salt Lake Valley on July 22, 1847. Young, delayed by illness, arrived two days later. The party consisted of 143 men, 3 women and 2 children. They had arrived in Mexico in a remote arid area in the northern part of Alta California with the Great Salt Lake off to their west. They had purposefully left the United States and their party represented the vanguard of thousands of likeminded Mormons who would follow.

They sought asylum from severe religious persecution in the United States, although there were no Mexicans let alone Mexican officials to greet them, the closest being hundreds of miles to the west in California. They asserted that the land was uninhabited although there were at the least seasonal migrations of Native Americans through the area.

The Mormons assembled on an open field that would become their Temple Square on July 28th, and unanimously named their new home Great Salt Lake City. They already were hard at work settling in to build an agrarian community.

Their biggest problem was that they would not be free of the United States for very long because sovereignty over the land they were squatting on was about to pass to the United States. This complication had its roots in the Texas revolution in October 1835 when the English-speaking settlers there rebelled against their Mexican overlords. Ultimately, on March 2, 1836, the Texans declared independence and established the Republic of Texas.

The Texans then petitioned the United States for annexation as a state, at first to no avail because neither the leadership of the Democrats or Whigs wanted to insert such a vast slave-holding region into the contentious sectional slavery dispute that was roiling Congress. The United States did, however, recognize the Republic of Texas as a sovereign nation in March 1837, despite the fact that Mexico would not relinquish its claim to the region.

Outgoing President John Tyler negotiated an annexation agreement with President Sam Houston's Republic of Texas administration in April 1844 that contained pro-slavery provisions, which, with serious political intrigue, was passed by Congress allowing Tyler to sign a compromised version of it on March 1, 1845. Tyler then forwarded it to Texas for ratification on March 3rd. James Polk, upon taking office the next day, implored the Texans to ratify it, which they did. Polk signed the annexation bill on December 29th.

Democratic President Polk was an expansionist who ran on a pro-Texas Manifest Destiny platform. The outcome of the Texas annexation conveniently pitted his administration and the expansionists in Congress against Mexico. Using as an excuse contrived provocations and skirmishes along the Mexican border with Texas, the United States declared war on Mexico on May 13, 1846, ultimately invaded Mexico City, and won for the United States in 1848 cession of all the lands that are now part of the United States on Figure 3, except for a sliver along the southern tier of Arizona and New Mexico (Greenberg, 2012). The 29,670 square miles in the sliver was later purchased from Mexico as a corridor for the Southern Pacific Railroad by U. S. Ambassador James Gadsden, a sale finalized in 1854.

The Treaty of Guadalupe Hidalgo signed February 2, 1848 that ended the Mexican-American War placed Brigham Young and his Mormon flock squarely back in United States territory, less than a year after they had departed.

Young, president of the church, considered petitioning for territorial status, then decided upon applying for statehood. His change in strategy turned on the concern that a territory would be governed by Federal appointees whereas through state election procedures Mormons could maintain control. To that end, he and church elders drafted a state constitution based on the laws of Iowa in March 1849 and established a state that they called Deseret.

Deseret is derived from a word for honeybee in the Book of Mormon and the beehive was adopted as a symbol for their industrious habits that ultimately was used on the Utah territorial and state seals. You can see it on the left side of the back of the note illustrated on Figure 1.

Deseret encompassed all of the drainage area of the Colorado River north of Mexico, the Great Basin and considerable adjoining areas as shown on Figure 3. Its boundaries were deliberately drawn around an area that was virtually devoid of white settlements at the time and thus could serve as a buffer to protect the Mormons.

They operated the Deseret government for two years, without recognition by the United States. Important for this discussion is that the General Assembly of the State of Deseret passed the act that incorporated Great Salt Lake City on January 9, 1851, an act approved by Governor Brigham Young on January 19th. In the meantime, a U. S. post office was established there in 1849 but apparently, Great was omitted from its name according to Jim Forte's postal location website.

The California gold rush that originated in 1848 and reached its zenith in 1849 materially impacted Salt Lake City and Deseret. 49ers were streaming through Salt Lake City on their way to California but in addition prospectors were fanning out across the Rocky Mountain region including Deseret and establishing mining settlements throughout. A more challenging impact was political. Californians began agitating for statehood and the United States was only too happy to comply in order to incorporate its booming economy and wealth into the nation, as well as to establish its dominance along the west coast.

The problem was the status of slavery in the Mexican cession. The Compromise of 1850, a series of five bills drafted by Whig Senator Henry Clay of Kentucky and brokered with the help of Democratic Senator Stephen Douglas of Illinois, tamped down the sectional conflict for a while. When passed, the provisions that affected Deseret and the Mormons included the following. California with its current boundaries was admitted to the Union as a state on September 9, 1850. Texas relinquished its claim to New Mexico, so Congress then carved out the territories of New Mexico and Utah with boundaries as shown on Figure 4, the same day as California was admitted. The citizens of New Mexico and Utah territories were

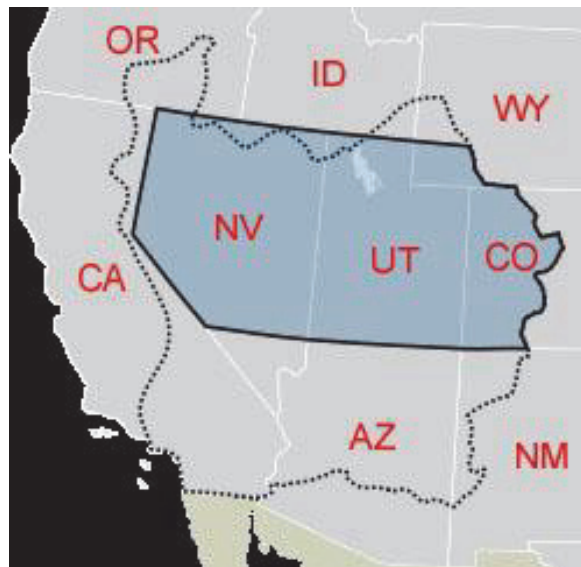


Figure 3. Boundaries of the Mormon state of Deseret (dotted line), Utah Territory as defined in 1850 (solid line) and future states (white lines and labels). Map adapted from Wikipedia.

given authority to decide for themselves the legality of slavery within their borders. Of course, the Mormons were not represented in Congress at the time.

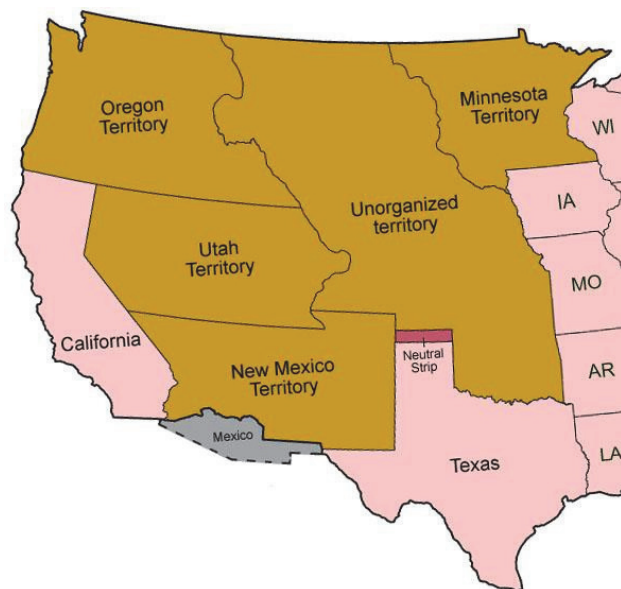


Figure 4. Territories from September 9, 1850 to March 2, 1853, following the Compromise of 1850. At the time, Utah Territory encompassed most of what would become Nevada, the southwestern corner of Wyoming, and western Colorado as shown on Figure 3. Oregon Territory had been established August 14, 1848 followed by Minnesota Territory on March 3, 1849. Map adapted from Wikipedia.

Wyoming Territory was squared up as it was being assembled from other pieces taken from the Dakota and Idaho territories.

Nevada and Colorado achieved statehood in a timely fashion in 1866 and 1876, respectively, thanks to the desire of the United States to firm up its hold on their mineral wealth. Admission of Utah languished over controversy associated with Mormon polygamy, so Utah wasn't admitted until 1896 after church President Wilford Woodruff issued a manifesto that disavowed the practice in 1890.

Early during all these adjustments, the 17th Utah Territorial Legislature on January 29, 1868 officially dropped the word Great from Salt Lake City.

Great Salt Lake

The Miners National Bank was organized February 9, 1866 and chartered March 28th so at the time the official name for its home was Great Salt Lake City. In contrast, the post office was using Salt Lake City.

The first step in organizing a bank was to submit an organization certificate that contained a blank for the title of the bank and four blanks to specify its location. As defined by the Comptroller of the Currency, the title of the bank included the name of the bank plus the town but not that of the state/territory. The four blanks for the location called for the type of town (town, city, borough, etc.) followed by the names of the town, county and state/territory.

As the paper work was being processed, this information was transcribed onto a form called an organization report, which had identical blanks. A copy of the organization report is included here as Figure 5 and is most revealing.

The problem was that the form of the organization certificate was imperfect so it occasionally

President Millard Fillmore appointed Brigham Young governor of Utah Territory on February 3, 1851. The first territorial legislature adopted all the laws and ordinances previously enacted by the General Assembly of Deseret; which of course, included Great Salt Lake City as the official name for the city.

Governor Young selected and named Fillmore, Utah, at the geographic center of the territory, as the site for its capital in October 1851. One of the attributes of the proposed town site was that it was located along the 38th parallel, which was considered a likely route for the coming transcontinental railroad. The territorial legislature met at Fillmore in 1855, then decided in 1856 to relocate the capital to Salt Lake City.

Utah territory was progressively trimmed back in size by Congress. The most sizable losses occurred in 1861 when a large piece on the west was ceded to create Nevada Territory, the eastern part was taken to square up Colorado Territory as it was created, and a piece of the northeast corner was allocated to Dakota Territory as it was being split from Nebraska Territory. Another slice went to Nevada Territory in 1862 followed by a third in 1866 to enlarge Nevada to its current dimensions at the time it was admitted as a state. The last to go was a bit more of the northeast corner in 1868 when

caused confusion. At issue was the call for a duplicate of the town name, which seemed to be redundant.

The bankers faced two ambiguities. First, should they use the official name of the town or the name of their post office for their location? Second, was writing City once in the dedicated space to describe their town sufficient?

What you can see from the organization report is that the bankers at the Miners National used the name of the post office for both their title and town name, but they omitted City from both because they put that in the blank they felt was reserved it.

Treasury Department,
OFFICE OF COMPTROLLER OF THE CURRENCY,
Washington, *March 27, 1866.*

The Miners National Bank of Salt Lake
Located in the *City* of *Salt Lake*
County of *Great Salt Lake*
State of *Territory of Utah*
Limit of increase of Capital \$ *50,000*
Capital \$ *150,000*
Paid in Capital \$ *75,000*

Date of Organization Certificate *February 9, 1866.*
William Kirkaddear President, *John W. Kerr* Cashier.
M. D. O'Connell Examiner.

1865, March 25 Bonds deposited to secure circulation, \$ *50,000*
Geo. W. Connelley, Bond Clerk.

No. *1446.* Certificate of authority issued *Mar 28, 1866.*

Examined, _____ Entered, _____
Entered, _____ Entered, _____

Figure 5. Organization report for The Miners National Bank revealing that the bankers omitted "Great" and "City" from the blanks reserved for their title and town name, and that someone in the Comptroller's office added "Great" to the postal location.

Upon processing this application, someone in the Comptroller's office noticed that the town name supplied didn't jibe with the official town name so he wrote Great in front of Salt Lake to better specify the location, but he failed to include City.

When these situations arose, it was the policy of the Comptroller's office to honor the title provided

by the bankers, so that title is what appeared in the title block on its notes. Changes that the Comptroller's office made to improve on the location information was made less conspicuously in the script postal location. Technically the improvement was then appended to the banker-supplied title to yield a complete title.

This effectively yielded a *de facto* title change; that is, a change that showed up on the banker's notes without their input. What came along on their 1-1-1-2 Original Series sheets was "The Miners National Bank of Salt Lake, Great Salt Lake." It still wasn't perfect because "City" was missing!

We won't know what appeared on the 5-5-5-5, 10-10-10-10 and 20-20-20-50 sheets printed for the bank until specimens turn up. Occasionally, in similar situations, the titles on those combinations differed from the aces and deuces.

The next bank to be chartered in Utah Territory was The First National Bank of Utah at Salt Lake City, charter 1695. This bank was organized August 13, 1869 and chartered November 15. By then Great had been dropped by the 17th Territorial Legislature. Also, the bankers had correctly filled out their organization certificate. Their title appeared flawlessly on their notes.

The Miners National Bank

The name of The Miners National Bank reveals that its business was pitched toward the miners, who were producing wealth in the vicinity. It was not organized by Mormons, but rather by outsiders who saw a good business opportunity in Salt Lake City. The following two paragraphs, which provide an overview of that activity and the organization of the Miners bank, are lifted from Arrington with minor alterations.

The richest finds having been made or proved in 1862-63, the year 1864 seems to have been a boom year in the mining regions north and west of Utah. It was this boom that was the immediate and compelling reason for the establishment of formally organized private banking houses in Salt Lake City in 1864. Four such banking houses were attracted to the city in that year: Clark and Company; Holladay and Halsey; Powers, Newman and Company; and Scott, Kerr and Company. All of these concerns, which had Midwestern connections, were freighters and merchants as well as bankers. They purchased the gold dust from miners and sold it in New York City where it brought fabulous prices during the Civil War; they sold drafts on Eastern and Midwestern banks, made exchanges, purchased land warrants and government vouchers; and they provided a circulating medium for local use much superior to the wasteful and inconvenient "trade dust." They also provided mining and other enterprises with working capital, and served as middlemen in the purchase of machinery and supplies in the East. On each of these transactions, of course, they earned a commission, fee, or other profit; and they appear to have enjoyed relatively good incomes.

Utah's first national bank was the Miners National Bank. The founders were two men attracted to Salt Lake City as the result of the mining boom of the early 1860s—William Kiskadden, an Ohioan who had freighted gold and supplies in Colorado after the Pike's Peak discoveries in 1859 and John F. Nounan, a Kansas freighter who had previously maintained a small private bank in Salt Lake City [Nounan is spelled Nounnan in the 1867 Comptroller of the Currency Annual report]. In 1867 John W. Kerr consolidated his private bank with the Miners National and became its cashier. The total resources of the bank grew from \$165,000 in July 1866 to more than \$400,000 in January 1869. The bankers maintained a national bank note circulation of \$135,000 from 1867 forward.

Postscript

The Miners National Bank was succeeded by The First National Bank of Utah, which was chartered November 15, 1869 and assumed its assets. The Miners National was formally liquidated on December 2, 1869. The First National ultimately went into receivership December 10, 1874, a casualty of the Panic of 1873. The depositors ultimately were paid 24.4 percent of their money by the time the receivership closed in 1879.

The first Mormon national bank organized in Salt Lake City, or in the Utah Territory for that matter, was The Deseret National Bank in 1872. Its president was, of course, Brigham Young. It was the fourth national bank organized both in Salt Lake City and Utah Territory. Its roots dated from 1868 in the form of the Zion's Co-operative Banking Institution, a private church-sanctioned banking house that in 1871 incorporated as The Bank of Deseret under the first territorial bank charter to be issued (Arrington, 1994).

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State Bank of Iowa



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