

THE BANK OF MISSOURI

J. Ray Cable, 1921.

This paper attempts to point out some of the more conservative influences in early Middle Western banking development. Missouri organized a state bank with branches in 1837, and gave it monopoly of the issue function. For 30 years this bank was the great middle western teacher of sound banking principles. It furnished a tremendous contrast to the unsound banking conditions of surrounding states. It is interesting to speculate upon the causes of the difference. Missouri commercial development came a little later than that of the Ohio valley and the lesson was not lost. Locally Missouri had been taught the evils of banking by two earlier and unfortunate private experiments—St. Louis, and the Loan Office Experiment. The Branch bank of United States had shown her how much good a really good bank could do. With this in mind it is at least easy to see why a conservative start was made. Their bias was never changed and was, in fact, carried so far that the State Bank failed to furnish legitimate and necessary business accommodation. The protest became so insistent that in 1857 the Assembly revoked the monopoly powers of the State Bank and established 6 private banks of issue. Ten years later the state stock was sold and after a decade of bad management under national charter the bank applied for a receivership in 1877.