

Chapter X

Grenada Experiences Banking Difficulties and Triumphs

In order to understand the banking situation in Grenada during the early years of its existence it becomes necessary for a brief review of the banking situation in the state and nation. The Bank of the United States was chartered in 1791, and became the fiscal agent of the young nation, and the depository of federal funds. It was re-chartered in 1816. At a time when there was an unusual demand for currency to be used in the purchase of the vast acreage of public land being placed on the market, the Bank, realizing the inflationary tendency of the land boom, became very conservative about granting loans for extensive land purchases and new business ventures. In 1819 there was a business panic in the country, resulting in many business failures and land foreclosures. The people who suffered most from this business depression blamed the panic on the conservative money policies of the Bank. On the other hand, the conservative Eastern businessmen claimed that the fiscal policies of the Bank led to inflation. The many state banks located in Southern and Western states, did not like the Bank of the United States because the well secured notes issued by this bank had the effect of driving out of general circulation the notes issued by the less secure state banks. So long as people could secure banknotes from the Bank of the United States they selected them in preference to the notes of the state banks.

The conservative policies of the Bank of the United States led to reckless banking policies on the part of the state banks. In order to supply the ever growing demand for currency to finance the speculative land boom, the state banks issued many notes without having sufficient specie to honor these notes if specie should be demanded. Because of the conditions described above, Mississippi, as well as other states, was flooded with a variety of bank notes issued by a number of state banks. This currency varied in value. Money from banks reputed to be in sound financial condition was accepted at face value. Notes on other banks were discounted, or even refused, depending upon the reputation of such banks for sound fiscal policies. Natchez was the banking center of Mississippi when the initial settlements were made in Pittsburg and Tullahoma. Under a provision of the Mississippi Constitution of 1832, the state had been authorized to own bank stock. It had purchased such stock in the Planters Bank which was domiciled in Natchez. The state investment in stock of that bank was, during the early years of the investment, a profitable one for the state. On several years the investment return was as much as two hundred thousand dollars. Another Natchez bank chartered by the Mississippi Legislature was the Agricultural Bank, also located in Natchez. These two banks drew business from a large area of the state. Many of the early business transactions involving land purchases in Grenada and vicinity, named one of these two banks as the agency for the payment and collection of deferred payments on land purchases.

President Jackson, being a son of the optimistic West and somewhat hostile to the business interests of the Eastern part of the country, became an enemy of the Bank of the United States. He listened to the complaints of his friends that the fiscal policies of the bank were placing an unnecessary brake on the development of the South and West. He also became convinced that the bank was discriminating against his political supporters. In some way, he learned that his political opponents Daniel Webster and Henry Clay had received retainers from the Bank. He knew that the bank charter would expire in 1836. He let it be known in no uncertain terms that he would oppose a re-chartering of that institution. In a message to Congress, in 1829, he expressed his opinion that the bank was un-constitutional. Clay and Webster, wishing to make a political issue of the bank question, approached Nicholas Biddle, President of the Bank, relative to applying for a re-charter in 1832, rather than waiting later.

Their argument was that it would be better to put over the project before more people could be more aroused against it. Against his better judgment Biddle was persuaded to make this early application for a re-chartering of his bank. The re-charter bill was approved by both houses of Congress. Jackson vetoed the bill, and the veto was sustained. Having achieved his purpose of preventing the re-charter of the bank, Jackson decided to destroy the influence of the bank during the remaining years of its existence. He removed federal deposits from the Bank of the United States and placed them in some state banks called "Pet Banks". This action on the part of the President had a twofold effect on the economy of the country, both harmful. It increased the amount of currency available for speculative purposes, and in a large measure, by diminishing the available sound currency of the Bank of the United States, it encouraged the expansion of the notes of state banks. In a very short time outstanding notes, issued by state banks, increased from forty eight million dollars to one hundred forty nine million dollars. This inflationary increase in un-sound money alarmed President Jackson who now realized that some kind of brake was needed on the rapid inflationary influence of this reckless issue of state bank notes. Since much of this issue of state bank notes was being used in land purchases, many of the purchases being of land secured by the Federal Government from various Indian tribes, the President decided that he could counteract the rapid inflation by requiring that land purchased from the Federal government must be paid for in specie-gold or silver or any other currency designated as legal tender by the Federal Government. In 1836 he issued the "Specie Circular" which put this policy in effect. The land speculators began to call upon the state banks to redeem their notes in specie so that the speculators might continue to buy public lands. This demand on the part of the speculators for specie alarmed many people holding these bank notes to the extent that they also sought to redeem their bank notes in specie. Most of the banks had to suspend specie payment in redemption of notes. This condition prevailed not only in the West and the South, but also in the East. Banks in New York, Boston, Baltimore, Philadelphia and other Eastern cities also suspended specie payment. The resulting Panic of 1837 was disastrous to the nation. Eighty per cent of the Eastern factories shut down operations. Many purchasers of public land who had made down payments on their purchases were unable to meet the deferred payments and thus lost the equity which they had in the lands purchased.

The bankers and politicians of Mississippi felt that something should be done to stabilize the currency being used in the state. They conceived the idea of a strong bank which would serve Mississippi as once the Bank of the United States served the nation. The result of this thinking was the chartering of the Union Bank of Mississippi. The authorized capital stock of this bank was \$15,500,000. A bill proposing that the state of Mississippi purchase 50,000 shares of the bank stock and issue state bonds in the amount of \$5,000,000 to pay for the stock passed two different legislatures, as was then required for such state investments and the state thereby became a partner in the banking operation. The bonds were purchased by the Bank of the United States of Philadelphia, a new bank organized by Nicholas Biddle, and this bank unloaded the bonds very largely on English investors. Soon \$5,000,000 in English silver and gold was loaded on an oceangoing steamer and unloaded in New Orleans. Here it was transferred to a river steamer which carried the specie to Vicksburg. From this point the shipment went to Jackson by a well-guarded wagon caravan. The bank had been chartered in 1837 and was authorized to begin operation as soon as it had ten percent of the capital stock in cash. A stock sale was begun. Planters were assured that if they became stock holders the bank would advance money on their cotton crops while the cotton was held in storage waiting for higher prices before sale was made. This was a very potent appeal to men who believed that the New Orleans banks and commission merchants were cheating them in interest rates and price paid for cotton. All over the state people, chiefly planters, began to purchase stock, paying little cash

but giving mortgages on plantations, slaves, town lots and town buildings. Much of that stock was sold to men who lived in Grenada, or the area which is not in Grenada County. We have been able to trace 28 of these stock transactions by mortgages recorded on the county deeds records. These twenty eight individuals bought half a million dollars worth of stock, and gave mortgages on almost fifteen thousand acres of land and 152 slaves to secure the bank in payment of the stock. The largest purchases of stock was James A. Girault, although Sterling Harrison and A. Govan bought considerable stock. It is interesting to note that both Girault and Govan became financially embarrassed soon thereafter, and neither ever entirely recovered from their reckless investment in bank stock and other unsuccessful ventures. Perhaps one reason that the stock found such a ready sale in the county was because two of the men appointed as Directors of the bank were men who were well known to Grenada people, because both of them were among the Proprietors of the Town Company of Tullahoma. They were Hiram G. Runnels and J. L. Irwin. Runnels was made President of the Board at a salary of ten thousand dollars per year.

Having set up the new bank in business, the Legislature attempted to discourage the reckless issue of bank notes by state banks by providing that any bank, not meeting its obligation to redeem notes in specie, when the demand was made for redemption, should have its charter suspended. In 1839, probably to replace some banks forced to close under the above mentioned legislative enactment, the State chartered new banks in Holly Springs, Vicksburg, Grenada, Port Gibson and Lexington, as well as two companies which also were engaged in banking. These two were the Hernando Railroad and Banking Company and the Vicksburg Water Works and Banking Company. So far as we have been able to ascertain, this was the first real bank to be established in Grenada, although it is very probable that some merchant of the town may have operated some sort of business in which money might be deposited and against which orders for payment of money might be made. Perhaps the bank chartered by the state might have some such beginning. We do know that, as early as 1838, there was an institution in Grenada known as "The Bank of Grenada". The local records indicating the existence of this bank are Deeds of Trust which recite in their body that these deeds are to be satisfied by the payment of specified sums of money at the Bank of Grenada.

The Mississippi Union Bank was a dismal failure. Bad banking judgment high overhead operating expense and depreciation of the value of property mortgaged and bank notes paid for stock forced the state to liquidate the bank. In a space of four years the bank was chartered, stock sold, loans made, much money advanced on cotton, and liquidation forced on it.

The state lost not only the capital invested in the bank but lost its financial standing for decades to come, because it repudiated the \$5,000,000 dollars in state bonds on the ground that they were unconstitutional. Until comparatively recent times, this long-ago repudiation of just debts by the state caused Mississippi state securities to be very difficult to sell to foreign investors. Repudiation of the bonds became a political issue between the Whig and Democratic parties of the state. The Whigs, composed mostly of substantial planters and businessmen, favored paying off the bonds, while the Democrats were mostly in favor of repudiation. The state lost not only in honor and bond money in the bank failure, but also through accepting bank notes in payment of accounts due the state. The state auditor reported that the state lost \$303,000 in notes issued by Brandon, Grenada and Mississippi Union Banks, and on the Natchez and Hernando Railroad companies, over \$228,000 of which was on account of the Grenada and Brandon concerns". The state was in bad financial shape at this time. When Governor McNutt (under whose administration the bonds were sold) took office there was a treasury surplus of \$279,613. This was in the year 1838. Four years later, at the time of the liquidation of the Mississippi Union Bank, there was in the state treasury 34¢ in cash

and a lot of worthless bank notes, perhaps some from the Grenada and Brandon banks. The state also faced \$8,000,000 in claims pressing for adjustment.

The banking and currency situation discussed above had a disastrous effect on the economy of Grenada and the trade area of the town. Much property was sold by the receivers of the assets of the Mississippi Union Bank in order to satisfy mortgages given on property in favor of the bank. During this period of the existence of the ill-fated Mississippi Union Bank, property values dropped drastically in the town of Grenada. Many of the lots sold for taxes. It was during the period that Harriet Sims acquired, by tax sales or purchases at very low prices, almost half of the lots in the West Ward of Grenada, formerly known as the town of Pittsburg. Much cotton had been deposited to the credit of the bank by planters who received \$60.00 per bale advance, while the Bank held the cotton in storage in Liverpool, England, hoping for better prices. This cotton was sold along with the other assets of the Bank, the planters losing whatever difference that may have existed between their advance on the cotton and its ultimate selling price.

We know nothing about the banking business, if there was any, in Grenada from 1842 to just before the outbreak of the Civil War. If there were banks in the town we have no definite information to that effect. We do know from land records that considerable payments on deeds of trust were conducted through banks in other towns.

Just prior to the outbreak of the Civil War, N. C. Snider & Company set up a private bank in Grenada. His partner in the bank was W. A. Rayburn). Mr. Snider was born in Chambersburg, Pennsylvania in 1812, the son of Jacob Snider. Young Snider studied at St. Mary's College in Maryland, and in the law school of Washington College. In 1836, as so many other young lawyers had done, he journeyed to the new country opened up by Indian Land Cessions. He settled in Coffeeville in 1836, and began the practice of law there. He also became the agent for a New Orleans cotton firm. He remained here until he started his banking venture in Grenada as heretofore mentioned. Evidently his father joined him there, since there is a stone in the old or "yellow fever cemetery", which indicates that Jacob Snider was buried here sometime before the fever outbreak. We do not know how this private bank fared during the civil war years, but we do know that it functioned for at least twenty years after the end of the war. Its name was subsequently changed to The Banking House of N. C. Snider & Son. Shortly after the end of the Civil War, another private bank known as The Lake Brothers Bank was established. These two private banks served as the only local banking institutions for a period of about twenty years. These were difficult years for both bankers and businessmen. The people of the area were rebuilding upon the dead ashes of the pre-war prosperity, and were fighting to regain political control from the carpet bag-scalaswa-negro regime, set up by the reconstruction acts of a radical congress. It was during the late years of this period that the town was swept by the yellow fever epidemic of 1878. On January 19, 1884, the Grenada Sentinel reported that the R. P. Lake Bank had failed, and that Mr. Lake had assigned all of his property to G. W. Jones for the benefit of creditors. Liabilities reported to be about \$60,000 and assets nearly enough to pay off creditors if such assets could be liquidated at their real value. We assume that this bank was the successor of the Lake Brothers Bank established about twenty years earlier. After the failure of his bank R. P. Lake engaged in the insurance business, and became district manager for his company, having headquarters, first in Jackson, Mississippi, and then later in Memphis. We have no information as to the date of its establishment, evidently some time after the failure of the R. P. Lake Bank, but we do know that George Lake was running a bank of his own very soon after the failure of the other Lake Bank. On February 5, 1887, the following news item appeared in the Sentinel: "Mr. George Lake has moved his bank into his spacious two story building on the east side of

the square, where he is fitted up with every convenience for the transaction of all business intrusted to him, and where he is better prepared than ever for the transaction of General Bank business. George Lake's Bank is known far and near, and is an institution in which people have implicit confidence, and that accounts for the immense business which he does". It would seem that the failure of the earlier Lake Bank had not destroyed the confidence of the people in the integrity and business ability of the Lakes.

About nine months after the failure of the R. P. Lake Bank, the business community of Grenada and vicinity was shocked by the announcement of the failure of N. C. Snider & Son, Bankers. The founder of this firm had died a few months before the announcement of the failure, and his son Jacob Snider was in charge of the bank at the time of its failure. Liabilities of the bank were listed as \$85,728 while assets, consisting mostly of mortgages on crops, stock and lands, were estimated at about \$70,000. If these two bank failures occurred, as they probably did, before George Lake had established his bank, it would mean that not only would the people of the area lose a portion of their deposits in the two banks, but would also be without the convenience of a local banking institution for some time.

Outside business concerns became interested in the possibility of coming into Grenada and establishing banking facilities in what was a good town with a large trade area about it. On November 15, 1884, the following news item appeared in the Sentinel "Mr. C. W. Robinson, Cashier of the First National Bank of Meridian, is in town to take the pulse of the citizens relative to another bank". Unfortunately for the people of Grenada, there occurred another disaster which came a few months before the first bank failure and shortly before the second one. On August 23, 1884, the Grenada Sentinel came out with an issue which had the following quoted headlines: "GRENADA IN RUINS. THREE HUNDRED THOUSAND DOLLAR FIRE". The news article stated that the fire started in the S. H. Garner Furniture House and destroyed three fourths of the buildings around the square. There was also printed a note from B. C. Adams, Jr., Mayor of Grenada, that Grenada was not asking for any outside help because of the fire. It would seem to us today that the men who made up the business community of Grenada eighty two years ago must have been men of determination and courage. It took strong men to survive two bank failures and a disastrous fire within the space of nine months, and still be able to advise the outside world that they needed no outside help. From a news item printed in January 1885, it would seem that the R. P. Lake Bank and the Lake Bros. Bank were one and the same. That news item states that the assets of R. P. Lake and Lake Brothers had been sold for \$15,500 for the benefit of creditors. It would seem that the optimistic estimates, as to the value of the assets of the failing bank, had been far in excess of the money realized from them.

In September 1885, The Bank of Grenada advertised for business. F. B. Nichols was President. We have not found the published charter of this bank and do not know the names of the stockholders but presume that the bank was organized by local business men since the President was a local businessman. The August 7, 1886, issue of the Grenada Sentinel gives the information that Ben Price, Cashier of the Bank of Oxford and Silas Owens of the same town, were in Grenada for the purpose of inducing local business interests to subscribe \$10,000 in stock to help provide a capital of \$40,000 with which to organize a new bank, to be called The Merchants Bank. The stipulated amount of stock to be subscribed by people of Grenada was purchased, and Mr. A. Beebe, a New York capitalist, made a large investment in the bank stock. Ben Price, Silas Owens, C. B. Howery and G. R. Hill, all of Oxford, bought shares of stock. Local subscribers to the bank stock were I. Wile & Company, W. N. Pass, Thomas Brothers, Doak & Laurence, W. C. McLean and John Powell. The bank organization was perfected September 13, 1886. In October of the same year the following officers were elected; President, Sam Laurence; Cashier, J. W. McLeod; Directors,

Ben Price, B. F. Thomas, W. M. Pass, W. McLean and John Powell. As a temporary domicile the bank set up business in the jewelry store of W. E. Smith.

We have previously noted that a Bank of Grenada was advertising for business in later 1885, but no charter of that bank had been published. On April 3, 1886, the charter was published and R. W. Millsaps, George Lake and R. L. Prophet were listed as the men who had organized the bank. Since there is little evidence of any considerable business done by this Bank of Grenada, and since George Lake was in business the same year as the bank organization which was described in a previously quoted news article from the Grenada Sentinel, there is a very strong probability that the bank organized by the three men mentioned above became the George Lake Bank. The fact that in August 1886, there was an advertisement by the banking company of George Lake & Company would seem another indication that the George Lake Bank, the Bank of Grenada and the George Lake & Company Bank were just different phases of the bank run by George Lake.

On May 24, 1890, the Sentinel published the charter of a newly organized bank. It was called Grenada Bank. Early stockholders were J. W. Griffis, J. T. Thomas, George Lake, B. C. Adams, Jr., R. Horton, G. W. Jones, J. T. Parker, J. W. Buchanan, J. H. Barksdale, R. W. Mullen, D. B. Wiley, Edgar West, P. D. Witty, Walter Trotter, O. J. Moore, J. T. Lay, and T. H. Somerville. The list of stockholders, consisting of many of the most prominent business and professional men of the area inspired confidence in the new bank, which confidence was to be justified by the subsequent business career of the Bank. J. W. Griffis was elected President of the bank and J. T. Thomas became Cashier. Judge A. T. Roan was Vice-President and Byron Dudley Bookkeeper. Since the bank was originally organized, it has continued to grow, first as a local bank, and later as a chain of banks, under the name the Grenada Bank System, until today it is one of the strongest bank organizations in the state. Since George Lake was one of the stockholders in the new bank, and since we find no further references in the local paper to the existence of Lakes Bank, I think that we may presume that the organization of Grenada Bank pretty well coincided with the liquidation of the George Lake & Company Bank. Under the charter of Grenada Bank, the maximum capital stock was to be \$200,000 with a paid in capital of \$30,000 required before the bank could open for business.

On January 1890, the Sentinel had this comment relative to the Merchants Bank: "The Merchants Bank is one of the most solid institutions of the kind in the state". This statement was made a little more than three months before the organization of Grenada Bank. Evidently the competition furnished by the newly organized bank had its effect on the prosperity of the older bank. It is also probable that the Merchants Bank, in order to remain in competition, began to take doubtful security on loans made to people who borrowed money from the bank. This was a common fault of many of the earlier banking institutions of the state. Whatever reason, or combination of reasons, was responsible for the decline of the Merchants Bank, it soon became apparent that the bank was on shaky financial grounds. As these rumors spread, depositors began to withdraw their money, and soon the bank was faced with a shortage of liquid assets. On January 31, 1903, The Sentinel announced that the Merchants Bank had closed its doors and made an assignment of its assets for benefit of its depositors and other creditors. The newspaper states that the bank had been considered weak for some time, and that, in a circular letter, sent from the stockholders to depositors, the latter were informed that the action was taken because rumors regarding the financial condition of the bank had caused heavy withdrawals by depositors. B. C. Duncan was designated as the assignee. It was estimated that the liabilities of the institution amounted to about \$88,000, while the assets were supposed to be worth \$90,000. The capital stock of \$60,000 was lost to the stockholders. There were about 350 depositors at the time the bank closed. It was hoped that when the assets

had been liquidated the depositors would recover from 75 to 85 per cent of their deposits. At the time of the failure, A. C. Leigh was President of the bank, Robert Doak, Vice-President and J. W. McLeod, Cashier. J. H. Barksdale, D. L. Holcomb, J. Cuff and G. B. Jones were Directors. It should be noted that in none of the bank failures which occurred was there any evidence of embezzlement or dishonesty of any sort. The usual trouble was too much of the liquid assets of the banks invested in loans secured by crops, land and stock. Crops frequently were less than expected; stock died and depreciated in value; land values fluctuated; and eventually the banking institutions had their vaults filled with paper of uncertain value and depleted cash balances.

The failure of the Merchants Bank did not discourage, in fact, it may have encouraged the establishment of another bank in Grenada. Less than two months after the Merchants Bank folded, the charter of Grenada Trust and Banking Company was published. J. W. Lee, A. S. Bell, A. Gerard, W. F. Martin, D. O. Semmes, G. W. Eatman and W. S. P. Doty were listed as incorporators. The capital stock was to be \$15,000 and stock was to sell at \$50.00 per share. The early organization of a bank, so soon after the failure of the Merchants Bank, and the small capitalization of the new bank, might lead one to believe that the new bank would not be able to compete with the older Grenada Bank. As a matter of fact, there was a general belief that the establishment of the new bank was not an adverse, or hostile move against the older bank, but was made with the consent and approval of the Grenada Bank. Many people felt that the failure of the Merchants Bank, leaving Grenada with only one bank, would certainly invite out-of-town capital to come into Grenada and establish another bank, while the chartering of the new Grenada Trust and Banking Company might prevent such a move on the part of outside capital. The men who incorporated this new bank were well-known local business and professional men. J. W. Lee was a Baptist minister who had become a man of some means. A. S. Bell was a lawyer and plantation owner who, on occasion, had served as Mayor of Grenada. A. Gerard had been a town official in various capacities. W. F. Martin was a large land owner. D. O. Semmes and G. W. Eatman were Grenada drug store owners. W. S. P. Doty was a lawyer who, at a later date served as Mayor of Grenada. On May 8, 1903, the following officers of the new bank were elected: W. F. Martin, President; J. B. Perry, Vice-President; H. J. Ray, Cashier; and W. F. Martin, A. S. Bell, A. Gerard, J. P. Broadstreet, J. W. Leigh, J. T. Thomas, R. H. Stokes, W. S. P. Doty and J. B. Perry as Directors. The fact that J. T. Thomas, Cashier of the Grenada Bank, was a director of the new bank seems an indication that the new and the old banks were on friendly terms. Although the Grenada Trust and Banking Company did not branch out into a chain of banks like the Grenada Bank, it has had a gradual, but substantial growth, since its organization. At this time (April 1967) it is considered one of the stronger individual banks of the state. The man who became Cashier of the Bank in 1903 has served the institution for sixty four years. Mr. Ray is still active as President of the bank. On March 29, 1904, the depositors of the defunct Merchants Bank received a payment of ten per cent of their deposits and in 1905 Mr. Duncan made a final payment to the depositors who, with this final payment, recovered seventy per cent of their deposits. This would seem to indicate that Mr. Duncan had done an excellent job in disposing of the assets of the bank.

In the year 1905 a bank was organized at Holcomb. The stockholders elected E. M. McShane of Greenwood as President, and L. L. Casey of Itta Bena Cashier. These two men, along with Dr. C. C. Moore, J. H. Brewer, R. D. Williams and R. A. McRee, served as directors. Eventually this bank, now no longer in existence, became a member of the Grenada Bank System. In 1907 an attempt was made to organize The First National Bank of Grenada, but this effort seems to have failed. In 1907 many banks of the state, because of a general financial uneasiness, limited bank withdrawals to one hundred dollars per day. Grenada Bank was one of the few banks which did not place this restriction on bank withdrawals. On January 18, 1908, the charter of incorporation of the

Citizens Savings Bank was published. Incorporators were M. B. Charles, W. E. Smith and Robert D. Talbert, all of Grenada. Capital stock was fixed at \$30,000 and par value of stock at one hundred dollars. We have found no evidence of any activity on the part of this bank, so there is a possibility that its promoters were unable to raise sufficient capital to begin operation. In the same year the Bank of Commerce was organized. W. C. McLean was President and O. L. Kimbrough Cashier. Directors were J. H. Brown, W. C. McLean, S. T. Tatum, W. R. Baker, W. S. Van Owdell, Dr. C. C. Moore, Dr. B. S. Dudley and one other director whose name we do not have. This bank was destined to have a rather brief existence of fourteen years. There were several changes of bank officers and directors during these fourteen years. In 1910 the Bank of Commerce became one of the first banks in the state to come under the recently passed Guarantee Bank Law. In 1915 E. C. Neely became President of the bank with R. H. Wright as Cashier. In the same year the bank established a Xmas Club. In 1917 J. F. McRee was acting as Cashier. In 1917 E. C. Neely, A. M. Carothers and J. T. Mason were listed as Directors. This frequent change of directors seemed to indicate that the bank was not having easy sailing, but an indication that another Grenada Bank was doing well was the court order for sale of shares of stock owned in the Grenada Trust & Banking Company. W. G. Eatman had died, and part of his estate consisted of five shares of stock in the last mentioned bank. The news-report states that this stock, with a par value of one hundred dollars, sold at a price of two hundred eighty three dollars per share. In early September of 1918 E. C. Neely resigned as President of the Bank of Commerce to accept a position as the Cashier of the Bank of Schlater, and A. M. Carothers became President, with J. T. Mason and C. C. Provine listed as Directors. There were probably other Directors, but these men signed the annual published statement of the bank. In 1919 the annual statement of the bank lists E. L. Boteler as Cashier and J. T. Mason and G. R. Goza were Directors who signed the statement. In the 1920 statement, Mr. Boteler signs as Cashier and C. C. Provine and J. P. Meaders as Directors. Late in 1920 the Stockholders of the Bank of Commerce met and designated the year of 1920 as "A highly satisfactory year". At this date C. C. Provine was acting in the dual capacity of President and Cashier of the bank while E. L. Boteler was Assistant Cashier. Directors listed were E. L. James, J. H. Spence, G. R. Goza, J. P. Meaders and F. E. Gillon.

On February 17, 1922, the following news item appeared on the front page of the SENTINEL: "The Bank of Commerce closed its doors on Friday afternoon of last week under the order of the State Banking Department. Bank Examiner S. W. Wardlow of Grenada checked the affairs of the bank and represented the Banking Department in closing the bank. It had been generally thought that the Bank of Commerce had been in somewhat strained circumstances for two or three years. The adverse business conditions had hit the bank hard, and it had made some rather large advances on certain real estate upon which it was unable to realize. The Bank made a brave fight, and its management are to be commended for being able to weather the storm for so long. It is stated that the Bank had some obligations due certain New York Banks which matured the day of the closing. The stockholders got together, and it is understood that Mr. J. T. Thomas, President of the Grenada Bank, offered assistance in meeting the emergency. It looked, at one, time, as if the situation was going to be tied over. The State Guarantee Banking Law serves to assure the depositors that they will get their money, hence the closing of the bank's doors created no more comment in business circles than if some mercantile firm had come to embarrassment. Business moved right along, and nobody got nervous. The wise, and farseeing management of the other two banks which are as stable in a business way, as the Rock of Gibraltar, serves to give business interests assurance. Of course sincere regret is felt at the Bank's collapse and general sympathy is expressed for the officers and the stockholders who have made such a brave fight against adverse odds".

For the past forty five years Grenada has been fortunate in having strong banks which have been able, in good times and bad, to meet their banking obligations, and during that period no local bank failures have come about to bring distress to our people. Of course the two existing banks have served for a longer period of time than the forty- four year period during which we have experienced no bank failures. In closing this article, I should like to contrast this story of banking in Grenada by quoting from a letter, written by General Andrew Jackson to George W. Martin of Grenada County. Martin was the maternal grandfather of the late W. B. Hoffa. He had served in the military forces of General Jackson, and, at one time, acted as Secretary to the General. In the Battle of New Orleans he served on the staff of General Coffee. He came into our area in 1833, and carved out a plantation called "Auvergne" in 1834. His daughter Elizabeth Donaldson Martin, born on the plantation in 1834, was a great niece of General Jackson. She was the mother of Mr. Hoffa. Mr. Martin had written the General, congratulating him on, at last, being able to give up the heavy responsibilities of the Presidency, and General Jackson's letter was in answer. We quote a portion of that letter: "My Dear Major; Your kind letter of the 25th congratulating me on my return to the Hermitage has been received, and for your sentiments conveyed, and approbation of my official career, and good wishes for my happiness, in my retirement I sincerely thank you. I am truly thankful to a kind and overruling providence for preserving me through my arduous administration of the government, and permitting me to return to my peaceful home and enjoy my last few days in the bosom of my family, and with my neighbors and friends. I return with a peaceful conscience and review my public life with satisfaction, as I can with truth say that all my public acts were with an eye single to the public weal. My duties have been arduous. I had to contend against the whole aristocratic phalanx - the herculean power of the United States Bank, who by the paper credit system have formed the plan to make the laboring classes hewers of wood and drawers of water to these bankers, demagogues, speculators and gamblers, by a depreciated paper. These speculators, under the management of Mr. Biddle, and the Barings, and their influence over the whole corrupt system of banking, have caused the whole to stop payment of specie, with \$30,000,000 of specie in their vaults, and in open violation of their charter, and every moral principle, to the great injury of the people and good government, expending their paper issue, depreciating it, and by their agents buying it up at 20, 30 or 50 percent discount from the people who have received it as specie, depriving the laborers of our country of one third or one half of the real value of their labor.

I am sorry that you did not receive Andrew's letter. He says that he wrote you, as I requested, enclosing you my note to Col. Walker, and his reply in reference to your appointment at Chocchuma, in the place of Mr. G. Col. Walker said at first that he would recommend you, but at last united with Mr. Claiborne and Mr. Gholston in recommending another, and as I knew Black was hostile to you, I would not hazard your nomination before the Senate. I am fearful that you have been putting too much confidence in the integrity of the Colonel, and his letter to Mr. Black will sometime pass over my mind and his large speculations and liabilities may have caused him to join the aristocracy, and become a paper credit system man.....I was apprehensive from Col. Walker's course in the Senate on the subject of the Treasury Circular, that he was going over to the whigs, and wished to join them in deluging the country with paper to destroy our deposit banks. That circular secured the banks from the drain of specie for England and saved the country from ruin and entire bankruptcy. Still Col. Walker was opposed to it". The Mr. G. mentioned in Jackson's letter as the man appointed to the office desired by Mr. Martin was Samuel Gwin who became Registrar of the Chocchuma Land Office. The Col. Walker mentioned in the same letter was Robert J. Walker, United States Senator from Mississippi, and a very extensive land speculator.