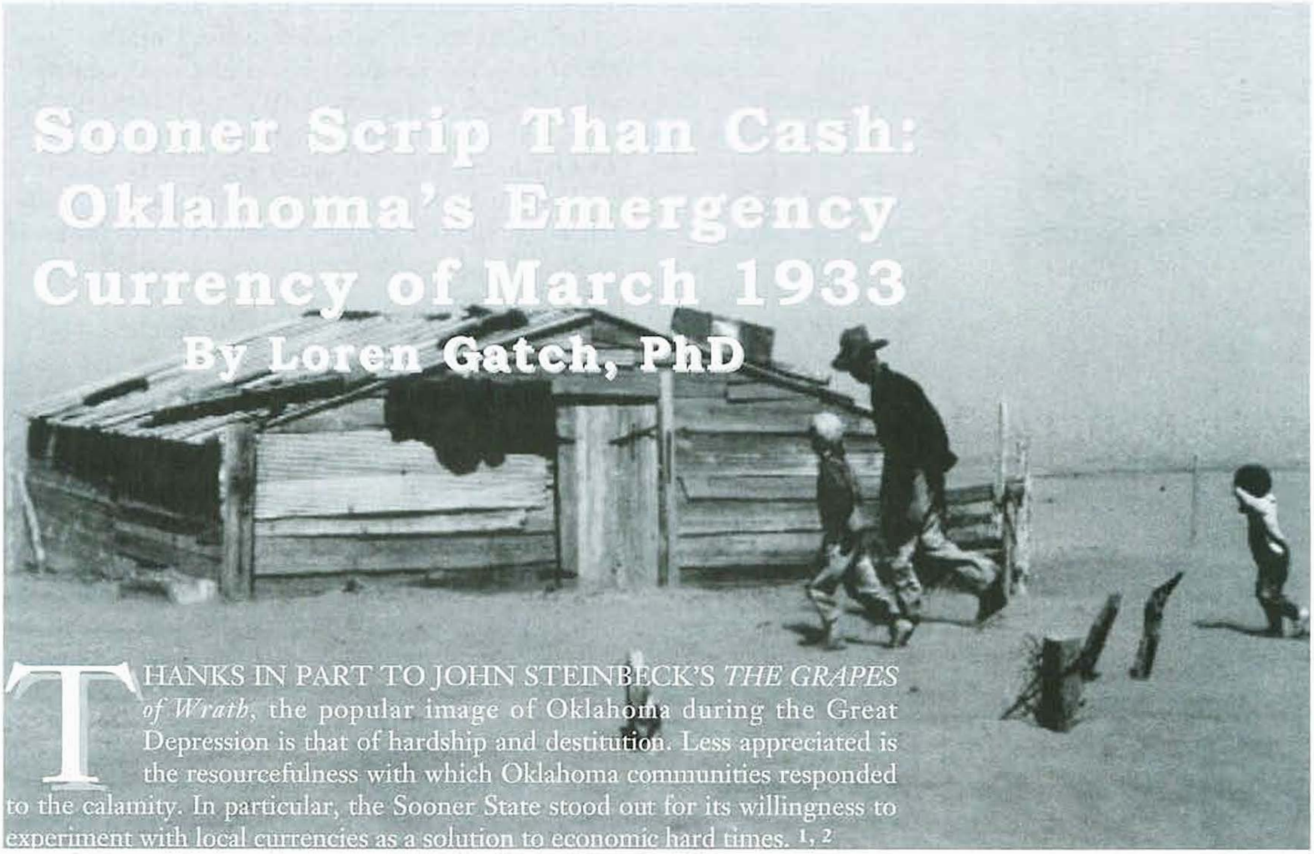


Sooner Scrip Than Cash: Oklahoma's Emergency Currency of March 1933

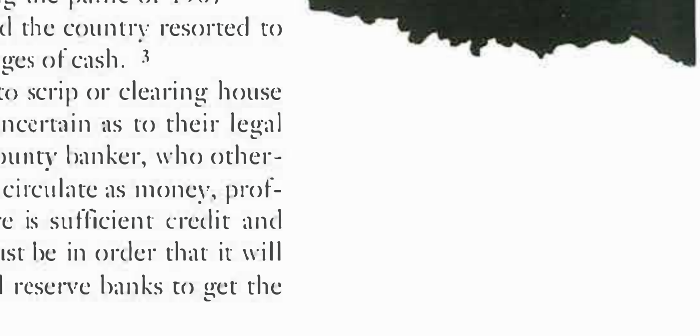
By Loren Gatch, PhD

THANKS IN PART TO JOHN STEINBECK'S *THE GRAPES of Wrath*, the popular image of Oklahoma during the Great Depression is that of hardship and destitution. Less appreciated is the resourcefulness with which Oklahoma communities responded to the calamity. In particular, the Sooner State stood out for its willingness to experiment with local currencies as a solution to economic hard times. [1, 2]

Farmer and sons walking in the face of a dust storm. Cimarron County, Oklahoma. Arthur Rothstein, photographer. Farm Security Administration -- Office of War Information Photograph Collection, Library of Congress Prints and Photographs Division Washington, DC 20540. Digital ID: cph 3g04840.

This article describes one particular form of local, Oklahoma currency: the emergency scrip issued during the banking holiday of early March 1933. Desperate for a circulating medium, private employers worked with civic leaders and banks to issue legal and acceptable replacements for United States currency. They did this not only in the absence of consistent guidance from the national government, but in the face of open hostility from Oklahoma's impetuous Governor, William H. ("Alfalfa Bill") Murray, a conservative populist with deep suspicions of bankers and banking.

While the most prominent example of such emergency money was the scrip of the Cash Relief Trust of Oklahoma City, similar arrangements on a smaller scale were also introduced in the cities of Bristow, Cushing, Pauls Valley, Ponca City, Sapulpa, and Seminole.



Like many rural states, hard times came to Oklahoma long before the Crash of '29. Throughout the 1920s, the state's banks were plagued by defaults, as their farming clientele was ground down by low agricultural prices. The paralysis of the nation's banking system by early 1933 only made a bad situation worse, and Governor Murray issued the order to close the state's banks on Wednesday, March first. The possibility of issuing an emergency exchange medium was immediately raised. After all, Oklahomans remembered that during the panic of 1907 bank clearing houses in the new state as well as around the country resorted to the issue of clearing house certificates to relieve shortages of cash. [3]

Oklahoma bankers were not, as a group, averse to scrip or clearing house certificates. Yet the banking moratorium left them uncertain as to their legal ability to underwrite either alternative. One Alfalfa County banker, who otherwise favored an issue of "soldier bonus certificates" to circulate as money, proffered this reasonable complaint about scrip: "If there is sufficient credit and backening [sic] behind the script [sic], which there must be in order that it will pass, why can't that same credit be used at our federal reserve banks to get the actual currency and not have to issue scrip?" [4]

The severity of the cash shortage depended upon how quickly the state's banks could be reopened. On Friday Murray extended the banking holiday to the following Wednesday, March 8. The prospects for an adequate circulating medium dimmed when the state's bank commissioner, William J. Barnett ruled that frozen assets of the banks could not be used, as in past crises, to back clearing house certificates. The Oklahoma City and Tulsa Clearing Houses met separately to deal with the problem of weekend pay rolls without their traditional tools. Unwilling to challenge the Governor by advancing funds for business's pay rolls or even issuing clearing house certificates, the banks instead deferred to local business leaders to devise a scrip plan.

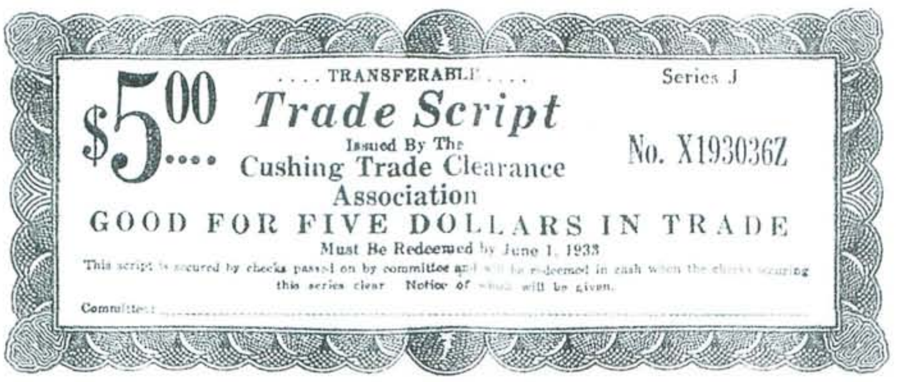
Hubert Hudson of the Oklahoma Railway Co. took the lead in mobilizing the business community to coordinate a scrip alternative called the Cash Reserve Association. [5] Hudson, whose company urgently needed cash to meet its Saturday pay roll, pushed for scrip when it became clear that the governor's executive order had effectively impounded all currency in the banks' vaults. Scrip purchasers would pay by check $101 for every $100 issued, the extra amount covering operating costs. [6]

Crucial to the success of the scrip plan was its acceptance both by the general public and by the retail community. The Chamber of Commerce pledged its willingness to support any plan for dealing with the bank moratorium. For their part, the Clearing House banks issued a statement endorsing the new scrip as a stop-gap measure until the banking moratorium was lifted. To bolster public confidence in the proposed medium, scrip could be obtained only by reputable firms against their frozen bank balances. While banks themselves could not guarantee the scrip, they did stand ready to divulge to the Cash Reserve Association financial information about firms and individuals seeking to purchase scrip; in effect, the banks would unofficially "earmark" purchasers' accounts to the amount of scrip they drew. [7] While it was unlikely that scrip would be accepted far beyond city limits, Hudson nonetheless declared his eagerness to subscribe to a first issue of $17,000 to meet his payroll.

What would the scrip look like in the hands of the public? The denominations would be one, five, and ten dollars, with any change below one dollar made in coin. An issue worth $600,000 was planned—200,000 ones, 40,000 fives, and 20,000 tens. Production would be carried out by the Trave-Taylor Printing Company. For security, the design would be lithographed on gray bank safety paper, with a black-on-white front and a green-on-white back, in somewhat larger size than standard United States currency. On one side, the scrip would bear the reminder "This is Not United States Currency". Its back would carry in large print the denomination of the scrip, as well as a medallion depicting the skyline of Oklahoma City with the motto, "Oklahoma City, the City of Progress." [8]

Bristow "Participating Certificates", issued in denominations from 25 cents to 10 dollars, were the first of Oklahoma's emergency money issues of 1933 (Copyright 1933, The Oklahoma Publishing Company)

While the mechanics of scrip issuance seemed established, it remained unclear how long it would be needed. In Tulsa, where merchants preferred a clearing house issue to business-sponsored scrip, the banks held back on any plan until they received national guidance. Not every community remained as patient. The oil town of Bristow began moving as early as March 3 to put its own scrip into circulation. At a meeting Friday night, Bristow merchants created the Bristow "scrip bank" under the supervision of the local Chamber of Commerce, and approved a first issue of $2,000 in "home made money" for the next day. Lea M. Nichols, the Bristow publisher, served as President of the scrip bank. Denominations of the Bristow "Participating Certificates" ranged from ten dollars to twenty-five cents. Staffed temporarily by employees seconded from the American National Bank and the Community State Bank, the scrip bank issued its paper against deposited payroll checks. [9]

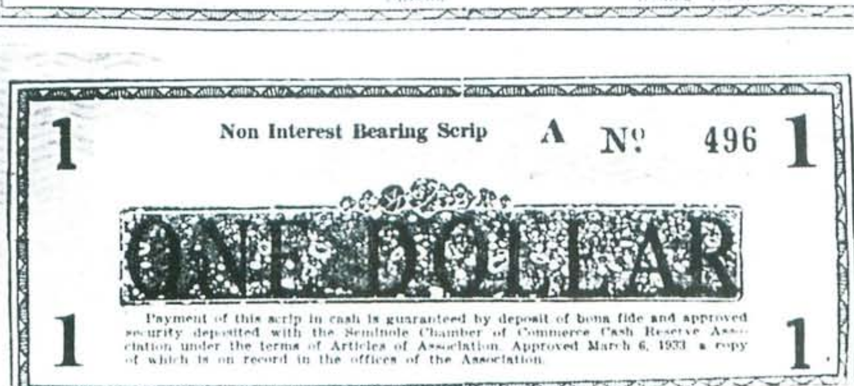


Cushing "Trade Script" [sic] (Copyright 1933, *The Cushing Daily Citizen*)

That Friday night also saw Cushing merchants forming the Cushing Trade Clearance Association to pursue a similar plan. Backed by payroll checks, Cushing's scrip would rely upon the good agencies of the Farmers National and the First National Banks to confirm employers' account balances. Ten thousand dollars worth of Cushing scrip was printed Sunday on blue and yellow safety paper and countersigned by L. N. Stephenson (of the Farmers) and Levi Swingle (of the First National). This scrip would supplement a plan by O. H. Lachenmeyer, President of the Publishing Company of Cushing. Lachenmeyer, who published the *Cushing Daily Citizen*, proposed issuing to his employees $1 scrip backed by his frozen bank accounts and receivable for advertising and subscription fees. He was joined by Cooksey's General Store, which planned to issue its own checks in denominations up to $2 and redeemable in the store's own merchandise. [10]

At an all-day meeting Sunday, The Seminole Chamber of Commerce founded a Cash Reserve Association that would issue one, five, and ten dollar scrip in the form of checks signed by Association members. At the initial meeting, 50 merchants and businessmen committed to underwrite the scrip's redemption. Although oil company checks would be the principal security for the scrip, utilities like the Seminole Gas Co. and Oklahoma Gas and Electric also signed on. The Seminole Cash Reserve Association's method differed from other schemes. Instead of selling scrip to companies or employees, merchants would secure scrip in exchange for payroll checks which they received from employees and which they would deposit as collateral. As additional security, scrip would be signed by the individual merchants who drew it out as well as by the Association's officers. [11]

Seminole "Scrip Dollar" (Copyright 1933, The Oklahoma Publishing Company)



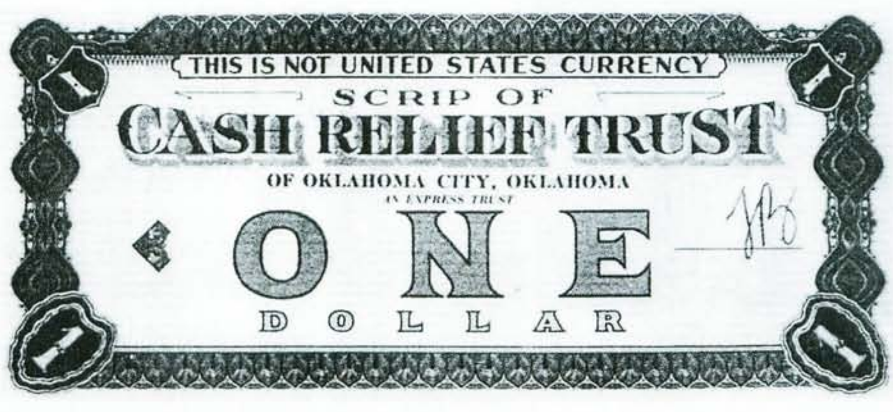
A meeting of Guthrie businessmen Saturday night created a Committee of Ten to devise a scrip plan; by Monday, they had arrived at the idea of Guthrie banks issuing one, five, and ten dollar certificates of deposit against frozen accounts. [12]

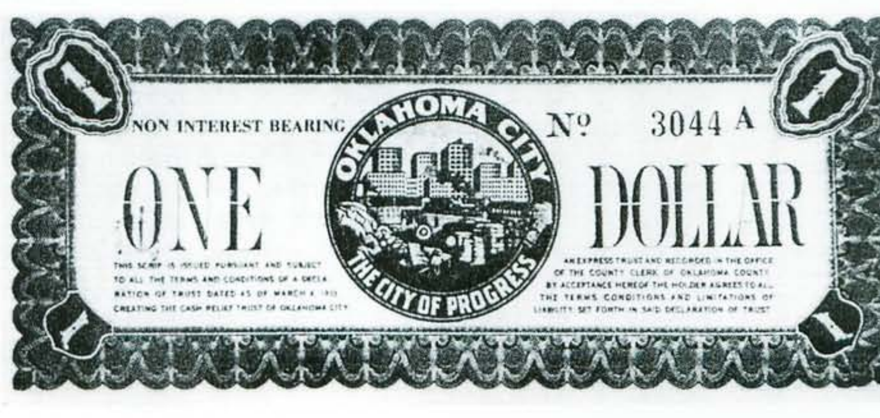
Finally, in Ponca City that same night the Retailers Association worked out the details of a substantial $50,000 scrip issue in the same range of denominations. Backed by bank deposits, scrip was to be purchased by check in amounts as low as $50. Applicants for scrip would assign to the Retailers Association an equivalent claim upon their bank accounts. As in Cushing, this plan was made more palatable by the roles played by local bankers. Clyde E. Muchmore, editor of the *Ponca City News*, exuded confidence: "It is good for the reason that we say it is good, and after all that is the only reason that any money is good. This scrip will and should have free circulation in Ponca City."[13]

Nationally, the banking situation only got worse, and by March 4, the very day of Roosevelt's inauguration, the entire nation's financial system was at a standstill. In Oklahoma, meanwhile, legal concerns delayed the issuance of Cash Reserve scrip. The next day, Barnett warned bankers across Oklahoma against scrip. The Tulsa Clearing House backed away from any issue in advance of federal guidelines, while the Ponca City Retailers Association dropped its original plan and considered re-forming itself as a clearing house.[14] The Cash Reserve Association held back on printing scrip, and postponed the opening of the scrip bank's offices until Monday morning. As a result, many Saturday pay rolls such as Hudson's simply went unpaid. Scrip received critical support from Oklahoma City, when city manager Albert McRill announced that the city council had agreed in its Saturday meeting to accept it for fines, license fees, and other city bills. In contrast, Oklahoma County offices elected not to accept scrip for taxes, and court costs. [15]

By Sunday night, March 5, 500 businessmen meeting at the Chamber of Commerce were introduced to the "Cash Relief Trust" as a replacement for the Cash Reserve Association. Ten thousand dollars was raised at the meeting to assure its operating costs. Unlike the previous entity, the Cash Relief Trust would not sell scrip to individual purchasers, but would offer it directly to firms in thousand dollar quantities. Hudson and Edgar T. Bell of the Oklahoma Publishing Co. remained Chairman and Secretary respectively of the new incarnation. Not coincidentally, first in line to purchase were the Oklahoma Railway Co., with a payroll of $17,500, and the Oklahoma Publishing Co., with a payroll of more than $20,000. Serving as trustees of the new organization were Edgar Honnold, the hardware merchant M. S. McEldowney, and Herbert M. Peck. "Major" Peck in particular exemplified the close ties among the principals of the scrip scheme: a vice president and trust officer of the First National until 1928, Peck served as the Oklahoma Publishing Company's general counsel.

Cash Relief Trust Scrip of Oklahoma City (Copyright 1933, The Oklahoma Publishing Company)





Under the revised plan, the trustees were especially important because they were the ones to assess whether or not an applicant qualified to receive scrip. In this revised procedure, at the time of application the corporate buyer would give the scrip bank permission to examine the company's account balance in its regular bank. The scrip bank established by this trust would continue to be located at the First National Bank and Trust Company building. As in the old plan, the first printing would amount to $600,000. The "Declaration of Trust" was signed March 4 and filed at the county courthouse on March 8. [16]

National developments Sunday night also called into question the timetable for issuing scrip. Roosevelt's Sunday declaration of a national bank holiday beginning Monday morning and lasting until Friday March 10 preempted state moratoria. While Roosevelt's proclamation authorized the issue of clearing house certificates, Treasury Secretary William Woodin delayed issuing any specific orders granting their release. [17]

The prospects for Oklahoma scrip dimmed further on Monday when Governor Murray came out roundly against the businessmen's plan. In a rambling broadside to the press he reminded Oklahomans that

> before statehood the coal operators in the Indian Territory issued script [sic], which ultimately was good at the Commissary of the Company, whose prices were outrageously high for redemption of this scrip. In the Constitutional convention we set the ground work and completed in the first Legislature the destruction of this script [sic].

Here Murray was referring to early legislation that sought to force mining companies to pay its employees in "lawful money of the United States" instead of the company scrip that commonly circulated in areas without banks.[18] This had been a delicate point for the original scrip plan. He continued:

> I thought it was gone for good, but I read in the Sunday's and today's *Oklahoman* a proposition to issue, without limit, script [sic] by certain concerns in Oklahoma City, in which they say: 'Trust will be filed and it is guaranteed'. Evidently it is a Common Law Trust simply, and guaranteed by themselves who pass out this script [sic], by their own bankruptcy. . . .I warn those who are attempting to unload such a bubble on the public to stop now, and I warn the general public, especially the little business man, not to accept such chromos in the name of money for such are never sound, even in times of prosperity and solvency. [19]

Oklahoma Governor William H. "Alfalfa Bill" Murray (1931-1935) looked with suspicion upon the Cash Relief Trust's scrip issue.

The *Daily Oklahoman*, which had just published on Monday a full-page ad promoting scrip use, and whose officers were intimately involved in the scrip plan, reacted furiously.

> In comparing the scrip just issued to the scrip of the old pre-state coal fields, Governor Murray is going to the utmost bound of error. The scrip he has in mind was issued by companies and too often redeemable at company stores only. The scrip now circulating in Oklahoma City is redeemable in the money of the company issuing the scrip. No company repudiating its scrip or failing to make it good would last any longer than if it had repudiated its checks. . . .In referring to the company scrip of the coal fields the governor makes no mention of the irregular paper issued in the panic days of 1907. That paper kept business alive and prevented suffering, and no one who accepted it lost a penny through using it. [20]

Whether reasonable or not, Murray's and Barnett's opposition to Oklahoma City scrip reinforced national developments that cast the businessmen's plan into doubt. Printed scrip bearing the name of the Cash Relief Trust and amounting to $600,000 languished in the vaults of the First National. [21] The governor's attack on scrip also delayed its issue in Seminole, where directors of the Seminole Chamber of Commerce Cash Reserve Association awaited word of a national scrip plan. Cushing's Trade Clearance Association, which had printed its supply Sunday, delayed releasing it through Wednesday.

Skeptical of scrip, Sapulpa businessmen held off on an issue through the

Chamber of Commerce pending consultation with the Tulsa Clearing House and with their local bankers. In the meantime, Sapulpans desperate for cash resorted to drawing down their water meter deposits with the city. Guthrie merchants also paused in their plans. [22] Ponca City businessmen scrambled to meet official objections by restyling themselves as the Kay County Clearing House Association, whose membership consisted of the two Ponca City banks, the First National and the Security Banks of Blackwell, and the First National Bank and the Bank of Commerce of Tonkawa. Like the old plan, scrip certificates came in one, five, and ten-dollar denominations, but would be issued instead in the name of the bank depositing the collateral. [23]


$1 $1

Kay County Clearing House Certificate

THIS ONE-DOLLAR CERTIFICATE is issued by the Kay County Clearing House Association as a medium of temporary exchange. It is collaterally secured by direct payment obligations of the United States, the State of Oklahoma, and municipal subdivisions thereof, and/or by secured notes pledged and guaranteed by the circulating bank. These securities are held in trust by the special committee representing the Clearing House Association. Securities pledged by each bank are unanimously approved by a committee of eight—Geo. F. Smith, T. W. Prentice, L. K. Meek, C. O. Johnson, Ray See, R. E. Burks, L. C. Wright, Fred French. This committee unanimously decides the amount of Clearing House Certificates which can be issued against the securities offered by a member bank. Clearing House Certificates are a common claim against all the collateral deposited by the circulating bank.

Dated at Ponca City, Oklahoma this the 10th day of March, 1933.

ATTEST: KAY COUNTY CLEARING HOUSE ASSOCIATION
O. S. ELLIFRIT, Secretary. By C. O. JOHNSON, President.
L. C. WRIGHT, Treasurer. GEO. F. SMITH, Vice President.

ONE ONE

Kay County Clearing House Certificate (Courtesy Depressionscrip.com)

Meeting early Monday, March 6, the Oklahoma City Clearing House considered its own issue of certificates; Tulsa bankers also promised swift action, even as Barnett reminded them that "no scrip of any kind, no clearing house certificates or cashiers' checks be issued until the plan is worked out in Washington and instructions received from there." At a bankers' gathering in Oklahoma City, officers from around the state obliged by coming out against any scrip measures of their own. Muskogee's bankers returned home to instruct their Clearing House against any issue of certificates or scrip. [24]

Oklahoma City businesses got along the best they could during the cash famine. Most preferred customer purchases on account to the cutting of small checks. Groceries cooperated with companies by issuing trade coupon books that the companies could give to their employees. The Oklahoma Railway Company, which had missed its regular Saturday payday, advanced its workers five dollars each in cash from streetcar fare receipts. [25]

Elsewhere in the state, corporations and governments made creative use of popular demand for their goods and services. Following the example of The Publishing Company of Cushing, other newspaper owners capitalized on their importance in the local economy (as well as on their ownership of printing presses) by issuing scrip. On Tuesday, Muchmore's *Ponca City News*, put out $1,400 in its own "Make-Business-Better" certificates, while the *Bartlesville Daily Enterprise* paid out $500 in private currency to its employees in denominations from five dollars down to twenty-five cents. The *Miami Daily News-Record* paid out scrip to its employees, in amounts up to five dollars. In general, these issues gained easy acceptance not

Clyde Muchmore's "Make Business-Better-Certificates" came in one and five dollar denominations. Like Kay County certificates, this sported a vignette of the Ponca City Municipal Building, suggesting that Muchmore was the printer for both issues. (Illustration courtesy of Depressionscrip.com)


$1 $1

THE NEWS

Make Business-Better-Certificate Nº 269

Non-interest bearing. Not United States Currency.

ONE DOLLAR

Issued at Ponca City, Oklahoma, March 9, 1933, for and guaranteed by

Attest: THE PONCA CITY PUBLISHING CO., INC.

BY Clyde E. Muchmore,

Cashier. Treasurer.

Read agreement on reverse side.

ONE ONE


$1 $1

The News Make-Business-Better Certificate

Along with many other businesses, the bank moratorium caught The News with a substantial bank account and very little cash In order that we may meet our payroll, we are issuing scrip certificates, which have the same guarantee back of them that our check would have. These certificates will be accepted by us at their face value in the payment of all old accounts, in the purchase of advertising in The News or of printed matter at the News Printery. We request merchants to accept them in payment of accounts or the purchase of merchandise. They will be redeemed at such time as regulations of the banking departments make this possible. There is nothing back of this certificate but our word and our business integrity. We trust that these are sufficient.

Don't Hoard---Spend

Trade In Ponca City

THE PONCA CITY NEWS

Clyde E. Muchmore

Editor and Manager

ONE ONE

only because of the stature of the local publishers, but because they were receivable for advertising and subscription payments to the newspapers. [26]

While public authorities around the state could hardly assert legal tender privileges, they did exploit whatever currency their warrants possessed. At its March 7 meeting, the Guthrie City Council voted to issue "all salary warrants for the month of February in $1 denominations insofar as acceptable," and designated a deputy to assist the Treasurer and City Clerk in the tiresome job of signing each warrant. The City Clerk's office stayed open all night preparing the warrants, and on Wednesday paid out more than $4,000 to 43 city workers. Enid teachers managed to get 25% of their salaries paid in one-dollar "trust certificates backed by a specific warrant which will be held for their redemption." while the city of Miami paid $3,000 in employee salaries using five-dollar warrants backed by bonds. [27]

On March 8, Murray extended his original bank holiday until Friday the 10th, to match the federal timetable. After some hesitation, Secretary Woodin authorized clearing house associations to issue certificates, but only by March 10 at the earliest, pending any national scrip plan. Federal Reserve officials in Washington, D.C. opposed any national plan, arguing that the Federal Reserve System already possessed adequate mechanisms for currency expansion.

Despite this opposition, clearing houses around the country moved to issue certificates. In particular, Governor Lehman of New York oversaw the creation of an Emergency Certificate Corporation that would provide state scrip based upon sound bank assets. [28] While the nation's banks awaited New York's example, printing presses across the country produced millions of dollars of emergency circulation. The Oklahoma City Clearing House announced its own plans for issuing up to $3 million in certificates. The Tulsa Clearing House promised an expedited Friday release of certificates. [29]

With the Cash Relief Trust apparently out of business, the *Daily Oklahoman* complained bitterly about Murray's interference:

> It is rather like Governor Murray to see more evil in the emergency plans of local business men than he can see in his own emergency plans... When local business men drive determinedly towards a wider measure of local relief by issuing local scrip for local convenience the governor attacks the program with a mass of unrestrained epithets and unvarnished errors and advises all people to wait for the launching of the Roosevelt program. But in the matter of banking reform he refuses to wait. While advising others to wait and then follow, he refuses to wait and he fails to follow. [30]

Compounding Murray's hostility were the effects of new national legislation. Instead of endorsing nationwide issues of scrip or clearing house certificates, the Emergency Banking Act, passed by Congress on March 9, established a nationwide timetable by which banks could be examined and certified for reopening to the public. In addition, it provided for a rapid increase in the supply of Federal Reserve notes by expanding the category of eligible assets against which notes could be issued. Furthermore, Treasury Secretary Woodin forbade the issue of Emergency Certificates by the State of New York, and clearing houses around the country either truncated or abandoned their plans to issue certificates. In Oklahoma City, banks fell silent about any issue of certificates.[31]

These developments did not dissuade the Cash Relief Trust. Ignoring Murray, the Trust went ahead and issued the first $34,500 in scrip on Wednesday, March 8. To the *Daily Oklahoman*, "issuance of the scrip here acted like a blow torch on the ice cake of frozen assets, with virtually every merchant joining in the move to liquidate business and resume normal trade". A.C. DeBolt, president of the Oklahoma Railway Co., made the first scrip withdrawal on Wednesday, taking $9,000. "I can go back to the office and know that I will be greeted with open arms now," Debolt declared. "I've been going around empty handed for so long, I've simply become afraid of my own shadow." His company accepted a dollar in scrip for a fifty-cent ride card and fifty cents' change in silver.

The second applicant for scrip was the Oklahoma City Publishing Co., which took $12,000. More than 140 firms across the trades agreed to accept it, including utilities, although Southwestern Bell demurred, citing its financial obligations outside the city. In his syndicated column, Will Rogers captured the mood and logic of the scrip movement with this backhanded endorsement: "Everybody is all excited over 'scrip'. We are all for it. The way it sounds, all you need is a fountain pen and a prescription blank. . . .So come on with your scrip. The psychology of the stuff not being actual money is going to make everybody want to buy something." [32]

A One-dollar Sapulpa "Participating Certificate" (Courtesy Depressionscrip.com)

The release of Oklahoma City scrip was a signal to other schemes around the state. In Seminole, where the city council voted to accept scrip for water bills and other city expenses, $2,500 in Cash Reserve Association scrip was issued in the first two hours of business. With its bank opening delayed, the Sapulpa Chamber of Commerce finally voted to issue $10,000 in "participating certificates," hastily printed in denominations which, like Bristow's, ranged from twenty-five cents to ten dollars. Signed by the Chamber's President and Secretary, the scrip was underwritten by the payrolls of factories, oil companies, and utilities. In a simple procedure like Seminole's, payroll checks could be cashed directly with local merchants in exchange for scrip. The Pauls Valley Chamber became an impromptu bank of issue, providing scrip to businesses in exchange for their checks, and quickly had $500 worth of scrip in circulation. As the local paper reported, "many merchants are cashing personal checks with the 'home-made' money, and practically every business house in Pauls Valley is accepting the same as cash." [33]

Cushing's scrip eventually entered circulation, while in Bristow, where the first emergency issue had begun, thousands more in scrip, mostly in the smaller denominations, were put out as the week wore on. In addition to the numerous businesses advertising their readiness to take scrip in payment, the Bristow City Council voted to accept it for water bills; other utilities followed the city's lead. In Ponca City, the Kay County Clearing House estimated that up to $100,000 in clearing house certificates would be required to meet local demand. Guthrie, which like Miami had issued a large number of negotiable warrants to pay employees, found its liquidity needs correspondingly reduced and did not go forward with scrip. [34]

By Friday March 10, only limited banking services were available statewide, and applications for Cash Relief Trust scrip, encouraged by the Chamber of Commerce's endorsement, remained heavy through the weekend.[35] Although the federal legislation squelched the movement for national scrip, Roosevelt's bank holiday probably increased demand for Cash Relief Trust scrip since his proclamation and the Emergency Banking Act did not allow for the partial withdrawals of deposit balances. About the scrip, Governor Murray sneered, "it's worth a hundred cents on the dollar in trade where it's issued, but it's not worth a damn for anything else." [36]

Even if true, that was good enough for its users. As of Thursday, March 9, $88,400 in scrip was in circulation. Noteworthy among the applicants for scrip was the city government itself. Indeed, City Treasurer Joe W.

Scrip Trustees Get a Workout

Edgar Honnold, Left, M. S. McEldowney and Herbert Peck

At least one group of Oklahoma City business men knows the vissitudes of a messenger boy—they are trustees of the city scrip bank. By a provision of the trust agreement under which the bank is operated, the trustees must be their own messengers, and a large portion of each day must be spent in chasing from bank to bank.

As only the trustees are permitted to inspect a bank account, it is necessary, after receipt of an application in the First street bank offices, for the three trustees to walk over to the bank in which the applicant has his account, make their inspection and then walk back to the scrip bank.

Above: Scrip Trustees Going About Their Business. Below: Trust officials, with Herbert Peck at right, witness the burning of Cash Relief Trust scrip on March 17, 1933. (Both illustrations, Copyright 1933, The Oklahoma Publishing Company)

Ammerman proved the single largest purchaser of Cash Relief Trust scrip to use for cashing employees' salary warrants. The city also accepted several hundred dollars' worth of the paper in payment of various bills and fees. Generally, scrip was taken wherever offered, although wholesalers with obligations outside of the city declined the scrip. The first marriage license paid in scrip went to Sarah M. Adams and R. R. McBride. [37]

City bankers prepared for limited operations Monday, March 13th, according to the federal schedule. The minimum scrip purchase from the Cash Relief Trust was dropped Friday to $500, although many smaller merchants facing Saturday payrolls chafed at even that minimum. Friday was its busiest day, with twenty-four applications for scrip approved, the largest being Oklahoma Gas and Electric and the City Treasury, which each took $10,000. This rush of business also highlighted one inconvenience in the operations of the Cash Relief Trust: As trustees, Honnold, McEldowney, and Peck were obliged to travel from bank to bank in order to inspect personally the accounts of scrip applicants. [38]

By that weekend, issues of Cash Relief Trust scrip peaked at $132,000.[39] With major banks in Oklahoma set to re-open, redemption of Cash Relief scrip was envisioned. The Cash Relief Trust redeemed about $50,000 before it closed at 2:00 pm on Tuesday, March 14, and set June 3 as the final day for redeeming scrip, after which the notes would become worthless. In contrast to the trustee's scurrying of earlier days, the scrip operation was now quieter, as customers lined up to redeem their holdings for U.S. currency. The scrip could be redeemed at the temporary offices until Thursday, after which it would have to be presented at the First National Bank. By Friday, March 17, only $15,000 remained outstanding, and the scrip bank wound up its operations. [40]

As with the banking crisis itself, Oklahoma's experiment with emergency money blossomed and then folded up with great rapidity as commercial conditions returned, if not to prosperity, at least to a pre-crisis calm. On March 17, redeemed and unissued scrip of the Cash Relief Trust amounting to $564,543 was incinerated in the furnaces of the First National Bank building. While about $10,000 was estimated to be outstanding in late March, this figure shrank through redemptions to something under $1,000 worth of lost or keepsake notes. By the terms of the Trust any collateral behind the unredeemed remainder would be turned over to charity 60 days after final redemption deadline. After expenses, it was reported that this gift amounted to $21.22. [41]

Banks in Seminole and Cushing opened on an unrestricted basis, and the scrip issues in both towns (including that of Cushing's publisher Lachenmeyer) were also quickly retired. In Cushing, timely federal payments to military personnel and Indian tribes limited the need for scrip. Pauls Valley banks accepted the town's scrip against cash, and a total of $1,071.60 was redeemed through the Chamber as it deposited the business checks it held as collateral. Of the $10,000 in Sapulpa "Participating Certificates" authorized, apparently only something less than $2,400 was actually issued. In the first two days after redemption was permitted, all but $146.50 had been returned. The Chamber declared outstanding scrip invalid after ninety days.

Bristow's "scrip bank," whose final circulation reached $9,678.50, even published a rudimentary balance sheet, signed by Nichols and Brawner, that trumpeted a "surplus" from its operations of $2.37. On Thursday, March 16, Bristow's own "Participating Certificates" were recalled, and by the next day alone $6,453.25 had been turned in. June first was set as the deadline for redemptions. Proceeds from unredeemed scrip reverted to the Chamber of Commerce treasury. Guthrie, which had relied upon $1.00 salary warrants, hastened to retire them before other obligations "because of their bulkiness." [42]

The Kay County Clearing House Certificates issued in Ponca City turned out to be the second largest issue of scrip after Oklahoma City's, and the most orthodox in terms of banking practices. Alone among the seven Oklahoma experiments in emergency money, Ponca City recast its issue as a liability of the new clearing house's banks; its certificates were backed by financial securities rather than earmarked bank accounts or pay roll checks, as happened elsewhere. In the event, the Security Bank and Trust issued only $20,000 in certificates, the First National $5,000. With the lifting of the national holiday, Meek called for their immediate redemption, and over half the issue was paid in on March 16 alone. The Kay County Clearing House represented one of fifteen clearing houses across the country which, following the 1907 precedent, actually issued scrip in 1933, although twice that number prepared issues but never put them into circulation. Redeemable up to two years after issue, a mere $40 of the Ponca City currency remained outstanding by 1935. [43]

With the lifting of the banking restrictions, Oklahoma's emergency money was quickly cancelled, and the bulk of it reduced to ashes. Samples of Oklahoma's emergency currency still extant, tucked away as curiosities or mementos, testify to the resourcefulness of the state's business and financial elite in meeting local needs at the crescendo of national crisis. Successful local currency required not only business support but public confidence. In the Oklahoma experiments in emergency money, this trust was cultivated by careful mobilization of business interests, as well as by scrupulous attention to what backed the scrip and even to its physical appearance. Widespread publicity promoted popular awareness and support for the new circulating media. The larger the issue (as in Oklahoma City and Ponca City) the more elaborate did these safeguards become.

Just as the banking crisis of 1933 brought out the best in community spirit, its inconvenience may have also postponed some of the worst in human larceny. Burris G. Penn, editor of the *Cordell Beacon*, noted one unanticipated benefit of the financial turmoil:

Some of us may have thought the banking holiday worked a great hardship upon us, but imagine the consternation of Oklahoma's numerous efficient bank robbers when they found every bank in the state suddenly closed and their means of living completely shut out. If the holiday should continue longer these modern buccaneers might have to resort to raiding henhouses. [44]

Endnotes

1 The author is associate professor of political science at Univeristy of Central Oklahoma, Edmond, OK. A longer version of this article appeared as: "'This is Not United States Currency': Oklahoma's Emergency Scrip Issues During the Banking Crisis of 1933," *Chronicles of Oklahoma*, 82 (Summer, 2004), 168-199.

2 Two general works on Depression scrip are: Vernon L. Brown, "Scrip and Other Forms of Emergency Currency Issued in the United States During the Depression Years of 1931-1934" 2 Vols. (MA Thesis, New York University, 1941); and Joel William Canady Harper, "Scrip and Other Forms of Local Money" (PhD Dissertation, University of Chicago, 1948). The standard numismatic reference is Ralph Mitchell and Neil Shafer, *Standard Catalog of Depression Scrip of the United States* (Iola, WI: Krause Publications, 1984).

3 James G. Cannon, *Clearing Houses* (Washington, D.C.: GPO, 1910), 11, 75-9; A. Piatt Andrew, "Substitutes for Cash in the Panic of 1907," *Quarterly Journal of Economics*, 22 (August 1908), 497-516; James M. Smallwood, *An Oklahoma Adventure: Of Banks and Bankers* (Norman: University of Oklahoma Press, 1979), 55. By 1933, clearing house associations existed in Oklahoma, Tulsa, Bartlesville, Enid, Muskogee, Guthrie, and (formed that year) Ponca City.

4 Henry C. Doherty (Bank of Burlington, Burlington) to Thomas, March 7, 1933 Box 15 Folder 38, Subject Series, Elmer Thomas Collection, Carl Albert Center Congressional Archives, University of Oklahoma, Norman (hereafter cited as CAC).

5 *Daily Oklahoman*, March 4, 1933; *Guthrie Daily Leader*, March 3, 1933.

6 *Daily Oklahoman*, March 4, 1933; "Growth of the Oklahoma Publishing Company", supplement to the *Daily Oklahoman*, April 23, 1939, 9-10.

7 Chamber of Commerce, Board Minutes March 2, 1933, 87. Oklahoma City Chamber of Commerce Collection Box 8 Folder 1, Research Division, Oklahoma Historical Society, Oklahoma City (hereafter cited as RD OHS); *Daily Oklahoman*, March 4, 1933.

8 *Oklahoma City Times*, March 4, 1933.

9 *Bristow Daily Record*, March 3-4, 1933.

10 *Cushing Daily Citizen*, March 3, 1933, 3; March 5, 1933.

11 *Seminole Producer*, March 6, 1933; *Okmulgee Daily Times*, March 8, 1933; *Seminole News*, March 9, 1933.

12 *Guthrie Daily Leader*, March 5-6, 1933.

13 *Ponca City News*, March 6, 1933; quote from "Scrip is Money" (editorial), ibid, 4. For a copy of the assignment agreement, see ibid, 6.

14 *Tulsa Daily World*, March 6, 1933; *Ponca City News*, March 6-7, 1933.

15 *Daily Oklahoman*, March 5, 1933, A-7; Oklahoma City Council Journal, March 4, 1933, 96; *Oklahoma City Times*, March 4, 1933.

16 "Declaration of Trust" Miscellaneous Records, 247: 22-30, Oklahoma County Clerk's Office, Oklahoma City. For application forms for scrip purchase, see *Daily Oklahoman*, March 6, 1933, p. 4.

17 Ibid, 12; Susan Eastabrook Kennedy, *The Banking Crisis of 1933* (Lexington: University Press of Kentucky, 1973), 165.

18 Session Laws of Oklahoma 1909, 637-8.

19 Typescript copy in the Elmer Thomas Collection, Subject Files Box 15 Folder 39, CAC; *Blue Valley Farmer*, March 9 1933. See also O.D. Hall, "Oklahoma Operating Under Moratoria," *Harlow's Weekly*, March 11, 1933, 3-6.

20 Daily Oklahoman, March 7, 1933.

21 Specimens bearing the name "Cash Reserve Association" were printed, but never circulated. See Mitchell and Shafer, Standard Catalog of Depression Scrip, 212.

22 *Seminole Producer*, March 7, 1933; *Cushing Daily Citizen*, March 8, 1933; *Sapulpa Herald*, March 6, 1933; City of Sapulpa, Commissioners' Proceedings, March 6, 1933, Volume May 1932-December 1934, np, City Clerk's Office, Sapulpa, Oklahoma; *Guthrie Daily Leader*, March 7, 1933.

23 *Ponca City News*, March 7, 1933; March 9, 1933.

24 *Daily Oklahoman*, March 7, 1933; *Tulsa Daily World*, March 6, 1933; March 7, 1933; *Muskogee Daily Phoenix*, March 6, 1933; March 7, 1933; March 14, 1933.

25 *Daily Oklahoman*, March 7-9, 1933.

26 *Ponca City News*, March 7-8, 1933, 1; *Miami Daily News-Record*, March 12, 1933; *Mangum Daily Star*, March 3, 1933.

27 Guthrie City Council Minutes, March 7, 1933, 357, City Clerk's Office, Guthrie, Oklahoma; *Guthrie Daily Leader*, March 6, 1933; March 8, 1933; *Enid Events*, March 9, 1933; *Miami Daily News-Record*, March 7, 1933.

28 *Twentieth Annual Report of the Federal Reserve Board Covering Operations for the Year 1933* (Washington, D.C.: GPO, 1934), 12; Kennedy, *The Banking Crisis of 1933*, 172-3.

29 *Daily Oklahoman*, March 8, 1933; *Tulsa Daily World*, March 8, 1933.

30 "For Others Only" *Daily Oklahoman*, March 8, 1933.

31 Kennedy, *The Banking Crisis of 1933*, 173-8.

32 *Daily Oklahoman*, March 9, 1933; Rogers quoted in the *Tulsa Daily World*, March 7, 1933.

33 *Sapulpa Herald*, March 11, 1933; Minutes of the Board of City Commissioners of Pauls Valley February 21, 1933, Volume July 1, 1929-November 18, 1946, 152;City Clerk's Office, Pauls Valley, Oklahoma; *Pauls Valley Democrat*, March 9, 1933; Jarrel Ray Walker, "A History of Pauls Valley, Oklahoma" (M.A. Thesis, University of Oklahoma, 1953), 59.

34 City of Bristow, City Council Minutes March 6, 1933, Volume 1932-May 1936, 62, City Clerk's Office, Bristow, Oklahoma; *Bristow Daily Record*, March 7, 10, 11, 1933; *Ponca City News*, March 10-13, 1933; *Guthrie Daily Leader*, March 7, 1933.

35 Oklahoma City Chamber of Commerce Board Minutes March 9, 1933, 92, Box 8, Folder 1, Oklahoma City Chamber of Commerce Collection, RD OHS.

36 *Oklahoma City Times*, March 9, 1933.

37 *Daily Oklahoman*, March 10, 1933; City Journal, March 6, 1933, 97.

38 *Daily Oklahoman*, March 11, 1933.

39 *Daily Oklahoman*, March 12-13, 1933.

30 *Daily Oklahoman*, March 14-17, 1933.

41 Roy P. Stewart (with Pendleton Woods), *Born Grown: An Oklahoma City History* (Oklahoma City: Fidelity National Bank Association, 1976), 239; *Daily Oklahoman*, March 18, May 29, June 3, 1933; November 4, 1948; *Sunday Oklahoman Magazine*, March 2, 1958, 29; "Declaration of Trust", Section 16, 27. Stewart and the *Daily Oklahoman* give a final figure of $729 in outstanding scrip, while Mitchell and Shafer (211) cite $921.

42 *Seminole Producer*, March 17, 1933; *Cushing Daily Citizen*, March 10, 1933; March 17, 1933; *Sapulpa Herald*, March 22, 1933; *Bristow Daily Record*, March 16, 1933; March 17, 1933; Guthrie City Council Minutes, April 5, 1933, 360, City Clerk's Office, Guthrie, Oklahoma.

43 *Ponca City News*, March 16-17, 1933; Brown, "Scrip and Other Forms of Emergency Currency", 143-7.

44 *Cordell Beacon*, March 9, 1933. ❖